Calendar No. 200

98TH CONGRESS, 1st Session | SENATE | REPORT No. 98-132

VETERANS' EMERGENCY JOB TRAINING ACT

MAY 19 (legislative day, MAY 16), 1983.—Ordered to be printed

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Mr. SIMPSON, from the Committee on Veterans' Affairs submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 1033]

The Committee on Veterans' Affairs, to which was referred the bill (S. 1033) to amend title 38, United States Code, to establish an emergency job training program for wartime veterans, having considered the same, reports favorably thereon with an amendment in the nature of a committee substitute, and recommends that the bill, as amended, do pass.

COMMITTEE AMENDMENT

The amendment is as follows:

Strike out all after the enacting clause as follows:

[That this Act may be cited as the "Veterans' Emergency Job Training Act".

[SEC. 2. (a) Title 38, United States Code, is amended by inserting after chapter 43 the following new chapter:

["CHAPTER 44—VETERANS' EMERGENCY JOB TRAINING PROGRAM

["Sec.
["2101. Purpose.
["2102. Establishment of program.
["2103. Eligibility; application; certification.
["2104. Employer job training programs.
["2105. Approval of programs.
["2106. Payments to employers.
["2107. Discontinuance of payments for unsatisfactory conduct or progress.
["2108. Discontinuance of approval of employer programs; recoupment; penalties.
["2109. Duties of the Secretary of Labor.
["2110. Veterans information and outreach.

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["2111. Inspection of records.
["2112. Termination of program.

["§ 2101. Purpose

["The purpose of this chapter is to address the increasingly severe problem of unemployment among veterans by providing incentives to employers, in the form of partial defrayal of the costs of training, to hire veterans who served during a period of hostilities, for positions that involve significant training or retraining.

["§ 2102. Establishment of program

["The Secretary of Labor and the Administrator shall carry out a program in accordance with the provisions of this chapter to assist eligible veterans in obtaining employment in jobs providing significant training opportunities. Assistance under the program shall be in the form of payments to employers employing eligible veterans in jobs involving significant training in order to assist such employers in partially defraying the cost of the training.

["§ 2103. Eligibility; application; certification

["(a) For the purpose of this chapter, an eligible veteran is a veteran who—

["(1) meets the service requirements of section 521(j) of this title;

["(2) has been unemployed for fifteen or more consecutive weeks at the time of applying for participation in a program under subsection (d) of this section. For the purposes of this paragraph, a veteran shall be considered unemployed when the veteran is without a job and wants and is available for work. The determination of whether a veteran is without a job shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed.

["(b) A veteran may not receive assistance under this chapter and under either chapter 31, 32, or 34 of this title, or the Job Training Partnership Act (96 Stat. 1322; 29 U.S.C. 1501 et seq.), for the same period.

["(c) An eligible veteran who desires to undertake a program of job training under this chapter shall submit an application to the Secretary of Labor in such form and containing such information as the Secretary of Labor shall prescribe. The Secretary of Labor shall not approve such an application if the Secretary of Labor finds that the veteran is already qualified in the field for which the training would be provided or that the veteran's opportunities for employment would not be increased or advanced by such training.

["(d) A veteran who has been determined to be eligible under this section shall be certified as such by the Secretary of Labor, and the Secretary of Labor shall furnish such veteran with a copy of such certification for presentation to an employer offering a job training program under this chapter.

["§ 2104. Employer job training programs

["(a) In order to qualify as a job training program under this chapter, a job training program of an employer must provide to eligible veterans training approved under this chapter for a period of not less than six months.

["(b) The maximum period of training for which assistance may be provided on behalf of a veteran under this chapter is—

["(1) twelve months in the case of a veteran with a service-connected disability rated as 30 per centum or more; and

["(2) six months in the case of any other eligible veteran.

["(c) Subject to the provisions of this chapter, an eligible veteran approved for participation in a program under this chapter may select an approved program of job training with any private employer.

["§ 2105. Approval of programs

["(a) An eligible employer may be paid assistance under section 2106 of this title on behalf of an eligible veteran employed by such employer and participating in a job training program offered by that employer only if the program is approved in accordance with such procedures as the Secretary of Labor may by regulation prescribe and if the program meets the other requirements of this chapter.

["(b) An employer offering a program of training that the employer desires to have approved for the purposes of this chapter shall submit a written application for such approval according to guidelines issued by the Secretary of Labor. Any such application shall contain a certification—

["(1) that such employer, in good faith and according to circumstances known or reasonably foreseeable at the time such certification is made, believes

it probable that a position of the type for which the veteran is to be trained will be available on a stable permanent basis at the end of the training period;

"(2) that, when a veteran completes training for which payments are made under this chapter, such employer will provide not less than three weeks of continuing regular employment to such veteran for each week of training of such veteran under this chapter, unless payments are discontinued under section 2107 of this title or the veteran is dismissed for cause after the period of training;

"(3) that the wages and benefits to be paid to a veteran participating in the employer's program of training will be not less than the wages and benefits normally paid to other employees participating in a comparable program of training;

"(4) of the total number of hours of training to be offered for each participating eligible veteran, the training content of the program, and the objective of the training; and

"(5) that the employment of a veteran under this chapter—

"(A) will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits); or

"(B) will not result in hiring such a veteran to fill a job opening created by the action of the employer in laying off or terminating the employment of any regular employee.

"(c) The Secretary of Labor shall not approve a program of training under this chapter unless, upon investigation, the Secretary of Labor finds that the following conditions are or will be met by the employer:

"(1) The training content of the program is adequate, in light of the nature of the occupation for which training is to be provided and comparable training opportunities in such occupation, to accomplish the training objective certified under subsection (b)(3) of this section.

"(2) The occupation or job for which training is to be provided customarily requires full-time training for a period of not less than six months.

"(3) The length of the training period under the proposed program is not longer than that customarily required by employers in the community to provide an individual with the skills and knowledge needed in order to become competent in the occupation or job for which training is to be provided.

"(4) There is in the training establishment or place of employment adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training.

"(5) Adequate records will be kept by the employer to show the progress made by each veteran participating in the program.

"(6) The program of training will not be given to veterans who are already qualified by training and experience for the job for which training is to be provided.

"(7) There is a reasonable probability that a position of the type for which a veteran will be trained will be available with the employer on a stable, long-term basis for the veteran at the end of the period of training.

"(8) The program meets such other criteria as may be established by the Secretary of Labor.

"(d) In approving a program of training, the Secretary of Labor shall—

"(1) give preference to programs of training in growth industries, in occupations requiring the use of new technological skills, and in occupations for which demand exceeds supply; and

"(2) endeavor to achieve an equitable regional distribution of training opportunities, based on a comparison of regional data concerning the rate of unemployment among veterans of a period of war.

"§ 2106. Payments to employers

"(a) Except as provided in subsection (c), the Secretary of Labor shall pay to an employer of a veteran participating in an approved job training program under this chapter, upon completion of such program or termination of such veteran's eligibility for assistance under this chapter, an amount to defray, in part, the costs of the veteran's training. The amount paid to an employer on behalf of a veteran may not exceed the lesser of—

"(1) 25 per centum of the wages paid to the veteran by the employer during the period of job training;

"(2) the actual cost to the employer of such training; or

["(3) $6,000 in the case of an eligible veteran with a service-connected disability rated at 30 per centum or more, or $3,000 in the case of any other eligible veteran.

["(b) If an employer to which payments are made under this chapter is a small-business concern participating in an assistance program under the Small Business Act (15 U.S.C. 631 et seq.) or the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.), the Secretary of Labor shall make such payments on a monthly basis, and the computation required in subsection (a)(1) of this section shall be made on the basis of the average projected monthly wage paid to the veteran by the employer during the first six months of the training period.

["(c) Payment may not be made to an employer for a period of training under this chapter on behalf of a veteran until the Secretary of Labor has received—

["(1) from the veteran, a certification as to the veteran's actual employment and training with the employer during that period; and

["(2) from the employer, a certification—

["(A) that the veteran was employed and progressing satisfactorily while pursuing a program of training during that period;

["(B) as to the date on which the employment of such veteran began; and

["(C) that the veteran has been employed by the employer for an average of thirty hours a week for the period for which the payment is made.

["§ 2107. Discontinuance of payments for unsatisfactory conduct or progress

["The Secretary of Labor shall discontinue the payment of assistance on behalf of a veteran under this chapter if the Secretary of Labor finds that, according to standards that the Secretary of Labor may prescribe or the regularly prescribed standards of the employer, the conduct or progress of the veteran is unsatisfactory. Unless the Secretary of Labor finds that there are mitigating circumstances, progress will be considered unsatisfactory at any time that the veteran is not progressing at a rate that will permit the veteran to achieve the training objective within the training period.

["§ 2108. Discontinuance of approval of employer programs; recoupment; penalties

["(a) If the Secretary of Labor finds at any time that a program of training previously approved by the Secretary of Labor for the purposes of this chapter thereafter fails to meet any of the requirements of this chapter, the Secretary of Labor shall immediately disapprove further participation by eligible veterans under that program. An eligible employer whose program is disapproved under this section shall be notified of such disapproval by a certified or registered letter, and a return receipt shall be secured.

["(b) If the Secretary of Labor finds at any time that an employer's certification under section 2105(b) or section 2106(c)(2) of this title was false or clearly unsupportable in any material respect, the Secretary of Labor shall immediately disapprove further participation in the training program of such employer under that chapter. Such disapproval shall be effective with respect to payments made after the date of such certification. The total amount of such payments shall be a liability of such employer to the United States and shall be recoverable in the same manner as any other debt due the United States.

["(c) Whoever willfully or with reckless disregard of the facts, violates any provision of section 2105 of this title, or any regulation issued thereunder, or causes the Secretary of Labor to make a certification or give approval contrary to such section, section 2106(c)(2) or such regulation, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. Such violation shall constitute a separate violation with respect to each individual employed be reason of such wrongful certification or approval.

["§ 2109. Duties of the Secretary of Labor

["(a) Except as otherwise expressly provided in this chapter, the Secretary of Labor through the Assistant Secretary of Labor for Veterans' Employment, shall administer the program established by this chapter. In carrying out this responsibility, the Secretary of Labor shall consult with the Administrator and keep the Administrator fully advised of activities carried out pursuant to this chapter to ensure maximum cooperation and coordination between the Department of Labor and the Veterans' Administration.

["(b) The Secretary of Labor shall make special efforts to inform eligible veterans and employers of the training opportunities available under this chapter, and to coordinate such efforts with those job counseling, placement and job development services authorized under chapters 41 and 42 of this title, and other similar services

offered by other public agencies and organizations. In making such efforts, maximum use should be made of disabled veterans outreach specialists appointed under section 2003A of this title. Efforts to inform employers of the program under this chapter shall be coordinated with programs under the jurisdiction of the Administrator of the Small Business Administration.

["§ 2110. Veterans' information and outreach

[The Administrator (in consultation and cooperation with the Secretary of Labor) shall provide for an outreach and public information program—

[(a) to inform eligible veterans about the employment and job training opportunities for veterans under this chapter, the other provisions of this title, and other provisions of law targeted to veterans; and

[(b) to inform employers of their responsibilities and opportunities with respect to such veterans.

["§ 2111. Inspection of records

[The records and accounts of employers pertaining to veterans who have received job training assistance under this chapter, as well as other records which the Secretary of Labor determines necessary to ascertain compliance with the requirements of this chapter, shall be available at a reasonable time for examination by authorized representatives of the Government.

["§ 2112. Termination of program

[A veteran may not apply for a program of job training under this chapter after September 30, 1984. Assistance may not be paid to an employer under this chapter for any period after September 30, 1985.".

[(b) The table of chapters at the beginning of such title and at the beginning of part III of such title are each amended by inserting after the item relating to chapter 43 the following new item:

["44. Veterans' Emergency Job Training Program ..... 2101.".

[SEC. 3. Section 2002A is amended—

[(1) by striking out "and chapter 43" in the first sentence and inserting in lieu thereof "chapter 43, and chapter 44"; and

[(2) by striking out "chapter 43" in the second sentence and inserting in lieu thereof "chapter 43 or 44".

[SEC. 4. Subsection (c) of section 2003 is amended by—

[(1) striking out "and" at the end of clause (11);

[(2) striking out the period at the end of clause (12) and inserting in lieu thereof a semicolon and "and"; and

[(3) adding at the end thereof the following new clause:

["(13) be functionally responsible for processing applications and approving certifications under chapter 44 of this title.".

[SEC. 5. There is authorized to be appropriated $75,000,000 to carry out the program established under this chapter, for purposes including payments to employers, information and training for eligible veterans and employers, and such salaries, rents, printing and binding, travel and communications expenses as are reasonable attributable to the operation of the program.

[SEC. 6. The amendments made by this Act shall take effect October 1, 1983.]

and insert in lieu thereof the following:

That this Act may be cited as the "Veterans' Emergency Job Training Act".

SEC. 2. (a) Title 38, United States Code, is amended by inserting after chapter 43 the following new chapter:

"CHAPTER 44—VETERANS' EMERGENCY JOB TRAINING PROGRAM

"Sec.

"2101. Purpose.
"2102. Establishment of program; administration.
"2103. Eligibility; application; certification.
"2104. Employer job training programs.
"2105. Approval of programs.
"2106. Training establishments.
"2107. Nonqualifying programs of training.
"2108. Payments to employers.
"2109. Discontinuance of approval of employer programs; overpayments; penalties.
"2110. Coordination; information and outreach.
"2111. Inspection of records; investigations.
"2112. Termination of program.
"2113. Authorization of appropriations.

"§ 2101. Purpose

"The purpose of this chapter is to address the problem of severe and continuing unemployment among veterans by providing incentives to employers, in the form of payments to defray the costs of training or retraining, to hire wartime veterans who have been unemployed for long periods of time or have job skills that have been rendered obsolete by advances in technology or other industrial changes, for employment in stable, permanent positions that involve significant training or retraining.

"§ 2102. Establishment of program; administration

"(a) The Administrator and the Secretary of Labor (hereinafter in this chapter referred to as 'the Secretary') shall jointly carry out a program in accordance with the provisions of this chapter to assist eligible veterans in obtaining employment in stable, permanent positions that involve significant training or retraining. Assistance under the program shall be in the form of payments made to employers to assist them in defraying the costs of training or retraining eligible veterans employed in such positions.

"(b) Not later than sixty days after the date of the enactment of this chapter but in no event later than October 1, 1983, the Administrator and the Secretary shall enter into an agreement specifying their respective responsibilities for the administration of the provisions of this chapter. The agreement shall include specifications that the Administrator shall be responsible for the determination of whether a veteran meets the service requirements under section 2103 of this title and for payments to employers under section 2108 of this title, and that the Secretary shall be responsible for the determination of whether a veteran meets the unemployment requirements under section 2103 of this title and for job development activities under section 2110 of this title. The term 'administering agency' as used hereinafter in this chapter refers to the Veterans' Administration or the Department of Labor or both as specified in such agreement.

"(c) The Secretary shall carry out responsibilities under this chapter through the Assistant Secretary for Labor for Veterans' Employment established under section 2002A of this title.

"§ 2103. Eligibility; application; certification

"(a) For the purposes of this chapter, an eligible veteran is a veteran who—

"(1) acquired entitlement to educational assistance benefits from the Veterans' Administration under a program enacted by the Servicemen's Readjustment Act of 1944, the Veterans' Readjustment Assistance Act of 1952, or the Veterans' Readjustment Benefits Act of 1966 and who served during a period of war; and

"(2)(A) is unemployed and has been unemployed for at least fifteen of the twenty weeks immediately preceding the date of application for participation in a program under this chapter; or

"(B)(i) is unemployed and has been terminated or laid off from employment and is eligible for or has exhausted entitlement to unemployment compensation; and (ii) has no realistic opportunity to return to employment in the same or a similar occupation in the geographical area where the veteran previously held employment.

For the purposes of clause (2) of this subsection, a veteran shall be considered unemployed when the veteran is without a job and wants and is available for work.

"(b) A veteran who desires to undertake a program of job training under this chapter shall submit to the administering agency an application which shall specify the training objective to be pursued and shall be in such form and contain such information as the administering agency shall prescribe. The administering agency shall approve such application unless the administering agency finds that the veteran is (1) not eligible to participate in a program under this chapter, or (2) already qualified for the specified training objective.

"(c) A veteran who has been determined to be eligible under this section shall be certified as such by the administering agency, and the administering agency shall furnish such veteran with a copy of a certification of eligibility for presentation to an employer offering a program of job training under this chapter.

"§ 2104. Employer job training programs

"(a)(1) Except as provided in paragraph (2) of this subsection, in order to qualify as a program of job training under this chapter, a program of job training of an employer must provide training approved under this chapter for a period of not less than six months in an occupation in a growth industry, occupation requiring the use of new technological skills, or an occupation for which demand exceeds supply.

"(2) A period of training of between three and six months may be approved where the administering agency determines, in accordance with standards which the administering agency shall prescribe, that the purpose of this chapter would be met.

"(b) The maximum period of training for which assistance may be paid on behalf of an eligible veteran under this chapter is twelve months, except that such period may be extended by the administering agency for a period of up to six additional months in the case of a veteran with a service-connected disability rated at (1) 30 percent or more, or (2) 10 or 20 percent if such veteran has been determined under section 1506 of this title to have a serious employment handicap.

"(c) Subject to the provisions of this chapter, an eligible veteran approved for participation in a program under this chapter may accept an approved program of job training offered to the veteran by an employer.

"§ 2105. Approval of programs

"(a) An employer may be paid assistance under section 2106 of this title on behalf of an eligible veteran employed by such employer and participating in a program of job training offered by such employer only if such program is approved in accordance with such procedures as the administering agency may by regulation prescribe and if the program meets the other requirements established under this chapter.

"(b) An employer offering a program of job training that the employer desires to have approved for the purposes of this chapter shall submit a written application for such approval. Such application shall be in such form and contain such information as the administering agency shall prescribe and shall contain a certification by the employer—

"(1) that the employer has planned for the employment of the eligible veteran in a position for which such veteran is to be trained and that the employer has no reason to expect that such position will not be available on a stable, permanent basis to such veteran at the end of the training period;

"(2) that the wages and benefits to be paid to an eligible veteran participating in the employer's program of job training will be not less than the wages and benefits normally paid to other employees participating in a comparable program of job training;

"(3) indicating the total number of hours of training to be offered for each eligible veteran, and describing the training content of the program and the objective of the training;

"(4) that the employment of an eligible veteran under this chapter—

"(A) will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits); and

"(B) will not be in a job (i) while any other individual is on layoff from the same or any substantially equivalent job, or (ii) the opening for which was created as a result of the employer having terminated the employment of any regular employee or otherwise having reduced its work force with the intention of hiring a veteran in such job under this chapter;

"(5) that the training content of the program is adequate, in light of the nature of the occupation for which training is to be provided and comparable training opportunities in such occupation, to accomplish the training objective certified under clause (3) of this subsection;

"(6) that the occupation or job for which training is to be provided customarily requires training of not less than an average of thirty hours per week for a period of not less than six months or such other period as may be approved under section 2104(a)(2) of this title;

"(7) that the length of the training period under the proposed program is not longer than the length of programs that employers in the community customarily require new employees to complete in order to become competent in the occupation or job for which training is to be provided;

"(8) that there is in the training establishment or place of employment such space, equipment, instructional material, and instructor personnel as are needed to accomplish the training objective certified under clause (3) of this subsection;

"(9) that the employer will keep records adequate to show the progress made by each veteran participating in the program, and otherwise to demonstrate compliance with the requirements of this chapter; and

"(10) that the program meets such other criteria as may be established by the administering agency.

"(c)(1) Except as provided in paragraph (2) of this subsection, the administering agency shall approve the proposed program of job training unless the administering

agency finds that the application does not contain a certification and other information meeting the requirements of subsection (b) of this section.

"(2) The administering agency may withhold approval pending the outcome of an investigation of any matter under section 2111(c) of this title, and, based on such outcome, may disapprove such program, in accordance with regulations which the administering agency shall prescribe.

"(d) For the purposes of this section, approval of a program of apprenticeship or other on-job training for the purposes of section 1787 of this title shall be considered to meet all requirements for approval of a program of job training under this chapter.

"§ 2106. Training establishments

"Any employer may enter into an arrangement or agreement with an educational institution that has been approved for the enrollment of veterans under chapter 34 of this title in order that such institution may provide a program of job training (or a portion thereof) under this chapter. When such an arrangement or agreement has been entered into, the application of the employer shall so state and set forth a description of the training to be so provided.

"§ 2107. Nonqualifying programs of training

"No assistance under this chapter may be paid on behalf of an eligible veteran participating in a program of job training—

"(1) for employment in a seasonal, intermittent, or temporary job;

"(2) for employment under which commissions are the primary source of income;

"(3) for employment which involves political or religious activities;

"(4) for employment with any department, agency, instrumentality or branch of the Federal Government (including the United States Postal Service and Postal Rate Commission); or

"(5) if the training program will not be carried out in the United States.

"§ 2108. Payments to employers

"(a) Except as provided in subsections (b) and (c) of this section, the administering agency shall make quarterly payments to an employer of an eligible veteran participating in an approved program of job training under this chapter. The amount paid to an employer on behalf of an eligible veteran may not exceed the lesser of—

"(1) 50 percent of the wages paid to the veteran by the employer during the period for which payments are made; or

"(2) an amount for such period calculated on the basis of an annual rate of (A) $9,000 in the case of an eligible veteran with a service-connected disability rated at (i) 30 percent or more, or (ii) 10 or 20 percent if such veteran has been determined to have a serious employment handicap under section 1506 of this title, or (B) $6,000 in the case of any other eligible veteran.

"(b) If an employer to whom payments are made under this chapter is a private, for-profit enterprise employing five hundred or fewer employees, the Administering agency may make such payments on a monthly basis.

"(c) Payment may not be made to an employer for a period of training under this chapter on behalf of a veteran until the administering agency has received—

"(1) from the veteran, a certification as to the veteran's actual employment and training with the employer during such period; and

"(2) from the employer, a certification—

"(A) that the veteran was employed, and that the veteran's performance and progress were statisfactory during such period; and

"(B) with respect to the first such certification, indicating the date on which the employment of such veteran began.

"(d) No assistance may be paid on behalf of an eligible veteran under this chapter—

"(1) and to such veteran under chapter 31, 34, or 36 of this title for the same period;

"(2) if the employer is receiving any other form of assistance on account of the training or employment of such veteran, including assistance under the Job Training Partnership Act (96 Stat. 1322; 29 U.S.C. 1501 et seq.); or

"(3) if such veteran has completed a program of job training under this chapter.

"§ 2109. Discontinuance of approval of employer programs; overpayments; penalties

"(a) If the administering agency finds at any time that a program of job training previously approved by the administering agency for the purposes of this chapter thereafter fails to meet any of the requirements established under this chapter, the administering agency may immediately disapprove further participation by eligible veterans under that program. The administering agency shall provide to an employer whose program is disapproved under this section, and to each eligible veteran participating in such program, a statement of the reasons for, and an opportunity for a hearing with respect to, such disapproval. Such employer and such veteran shall be notified of such disapproval, such reasons, and such opportunity by a certified or registered letter, and a return receipt shall be secured.

"(b)(1) Whenever the administering agency finds that an overpayment of assistance under this chapter has been made to an employer on behalf of an eligible veteran as a result of a certification or information contained in an application submitted by an employer which was false or clearly unsupportable in any material respect, the amount of such overpayment shall constitute a liability of the employer to the United States.

"(2) Whenever the administering agency finds that an overpayment of assistance under this chapter has been made to an employer on behalf of an eligible veteran as a result of a certification or information contained in an application submitted by a veteran which was false or clearly unsupportable in any material respect, the amount of such overpayment shall constitute a liability of the veteran to the United States.

"(3) Any overpayment referred to in paragraph (1) or (2) of this subsection may be recovered in the same manner as any other debt due the United States.

"(c) Whenever the administering agency finds that an employer, willfully or with reckless disregard of the facts, has made a false certification under section 2105 or 2108(c)(2) of this title, or any regulation issued thereunder, or has caused the administering agency to make a certification or give approval contrary to such sections, or such regulation, such employer shall be subject to a civil penalty, imposed by the administering agency after an adjudication determined on the record after opportunity for a hearing before such agency, of not to exceed $1,000 for each such violation. Such violation shall constitute a separate violation with respect to each individual employed by reason of such wrongful certification or approval. Actions by the administering agency to impose a civil penalty under this subsection shall be reviewable in the district courts of the United States.

"§ 2110. Coordination; information and outreach

"(a) The administering agencies shall provide for an outreach and public information program to inform private industry and business concerns (including small business concerns), educational institutions, trade associations, and labor unions of opportunities under this chapter, and to promote job development by encouraging employers and unions to make training programs available for eligible veterans. The administering agencies shall coordinate such program with those job counseling, placement, job development, and other services provided for under chapters 41 and 42 of this title and with other similar services offered by other public agencies and organizations.

"(b) The administering agencies shall request and obtain from the Administrator of the Small Business Administration a listing of small business concerns, and, on a regular basis, update such listings. Such listings shall be used to identify and promote possible training and employment opportunities for eligible veterans.

"(c) The administering agencies, in consultation and cooperation with the Secretary of Education, shall take appropriate actions to advise educational institutions of the opportunities made available to veterans under this chapter and the opportunity for such institutions to enter into arrangements or agreements with employers pursuant to section 2106 of this title.

"(d) The administering agencies shall assist veterans and employers desiring to participate under this chapter in making application and completing necessary certifications.

"(e) In carrying out responsibilities under this chapter, the Secretary shall make maximum use of the services of State and Assistant State Directors for Veterans' Employment, disabled veterans' outreach program specialists, and employees of local offices appointed pursuant to sections 2003, 2003A, and 2004 of this title. The Secretary shall also use such resources as are available under title IV–C of the Job Training Partnership Act (96 Stat. 1322; 29 U.S.C. 1501 et seq.).

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"(f) In carrying out the provisions of this section, the administering agencies shall endeavor to achieve an equitable regional distribution of training opportunities, based on a comparison of regional data concerning the rate of unemployment among veterans of a period of war, and taking into consideration the regional distribution of eligible veterans and approved programs of job training.

"§ 2111. Inspection of records; investigations

"(a) The records and accounts of employers pertaining to veterans on behalf of whom assistance has been paid under this chapter, as well as other records which the administering agencies determine are necessary to ascertain compliance with the requirements established under this chapter, shall be available at reasonable times for examination by authorized representatives of the Federal Government.

"(b) The administering agencies may monitor all participants under this chapter be determine whether they are complying with the requirements established under this chapter.

"(c) The administering agencies may investigate any matter they deem necessary to determine compliance with the requirements established under this chapter. The investigations authorized by this subsection may include examining records (including making certified copies thereof), questioning employees, and entering into any premises or onto any site where any part of a program of job training is conducted under this chapter, or where any of the records of the employer offering or providing such program are kept.

"§ 2112. Termination of program

"Assistance may not be paid to an employer under this chapter—

"(1) on behalf of a veteran who applies for a program of job training under this chapter after September 30, 1984; or

"(2) for any such program which commences after December 31, 1984.

"§ 2113. Authorization of appropriations

"There is authorized to be appropriated to the Administrator $150,000,000 for the purpose of making payments to employers under this chapter.".

(b) The table of chapters at the beginning of such title and at the beginning of part III of such title are each amended by inserting after the item relating to chapter 43 the following new item:

"44. Veterans' Emergency Job Training Program ..... 2101.".

(c)(1) Notwithstanding the provisions of section 2112 of title 38, United States Code (as added by subsection (a)), in the event that funds are not both appropriated under section 2113 of such title (as added by subsection (a)) and made available by the Director of the Office of Management and Budget to the Veterans' Administration on or before October 1, 1983, for the purpose of making payments to employers under chapter 44 of such title (as added by subsection (a)), assistance may be paid to an employer under such chapter on behalf of any eligible veteran if such veteran—

(A) applies for a program of job training under such chapter within one year after the date on which funds so appropriated are made available to the Veterans' Administration by the Director, and

(B) commences participation in such program within fifteen months after such date.

(2) For the purposes of this subsection, the term "eligible veteran" shall have the meaning provided in section 2103(a) of such title (as added by subsection (a)).

SEC. 3. The amendments made by this Act shall take effect on October 1, 1983.

INTRODUCTION

S. 1033, the proposed Veterans' Emergency Job Training Act, was introduced on April 12, 1983, by Senator Alan K. Simpson, Chairman of the Committee on Veterans' Affairs. It proposed a program to assist eligible veterans in obtaining employment in stable, permanent positions that involve significant training or retraining, by providing incentives to employers, in the form of payments to cover the cost of training, to hire and train unemployed, wartime veterans, for occupations in growth industries, occupations requiring the use of new technological skills, and occupations for which demand exceeds supply.

On March 1, 1983, in the course of considering its budget views and estimates for fiscal year 1984, the Committee agreed to a motion by Ranking Minority Member Senator Alan Cranston, to recommend to the Budget Committee that the budget levels recommended by the President for the Veterans' Administrations' readjustment benefits account in fiscal year 1984 be increased by $150 million in both budget authority and outlays, in order to enable the Committee to consider certain education and job training alternatives for fiscal year 1984. The Committee stated at the time its expectation that this amount would permit the consideration of two types of proposals, either singly or in combination, in the readjustment benefits area: a 15-percent increase in rates of vocational rehabilitation subsistence and GI Bill educational assistance allowances, effective April 1, 1984, or legislation establishing a "new emergency retraining and on-job training program or other employment initiatives". The recommendations were subsequently incorporated by the Senate Budget Committee into the First Concurrent Resolution on the Budget for Fiscal Year 1984, S. Con. Res. 27, as reported to the Senate on April 24, 1983. More specifically, the figures contained in S. Con. Res. 27 assume the adoption of the readjustment benefits levels requested by the President, increased by $150 million in both budget authority and outlays in fiscal year 1984, and by amounts in the outyears, fiscal year 1985 through fiscal year 1988, designed to correspond to the cost of a 15-percent GI Bill rate increase.

In connection with the original recommendation made by this Committee in the context of its Budget Views and Estimates for Fiscal Year 1984, two bills establishing an emergency job training program for veterans were introduced in the Senate: S. 992, the Veterans' Emergency Retraining Act of 1983, introduced by Ranking Minority Member Cranston on April 6, 1983; and S. 1033, proposed the Veterans' Emergency Job Training Act, introduced by Chairman Simpson on April 12, 1983.

On April 20, 1983, the Committee held hearings on S. 992 and S. 1033. Testimony was received from Dorothy L. Starbuck, Chief Benefits Director of the Veterans' Administration; William C. Plowden, Assistant Secretary for Veterans' Employment and Training, Department of Labor; Paul S. Egan, Deputy Director, National Legislative Commission, and James G. Bourie, Director for Economics, both of The American Legion; Philip R. Mayo, Special Assistant to the Director, National Legislative Service of the Veterans of Foreign Wars of the United States; and Ronald W. Drach, National Employment Director of the Disabled American Veterans; Senator Larry Pressler; David J. Passamaneck, National Legislative Director of the American Veterans of World War II, Korea, and Vietnam (AMVETS); William L. Hartwell, Jr., Executive Vice President of the Interstate Conference of Employment Securities Agencies, Inc.; and Marvin P. Busbee, Legislative Director of the National Association of State Approving Agencies. Agency reports were subsequently received from the Veterans' Administration and from the Office of Management and Budget.

After a careful review of the testimony, the questions and answers and other information submitted in conjunction therewith, and after close consultations with the Veterans' Administration

and the Department of Labor with representatives of interested veterans' organizations, the Committee met in open session on May 11, 1983, and voted unanimously to report favorably S. 1033 with an amendment in the nature of a substitute derived from the provisions of S. 1033 as introduced and s. 992, and with one additional Committee amendment thereto.

Summary of S. 1033 as Reported

Basic Purpose

The basic purpose of S. 1033 as reported (hereinafter referred to as "the Committee bill") is to provide incentives to employers to hire and train veterans for stable and permanent employment in occupations in growth industries, occupations requiring the use of new technological skills, and occupations for which demand exceeds supply. The program is designed to help certain unemployed veterans who served certain minimum periods of time either during the Vietnam era (180 days), the Korean conflict (90 days), or World War II (90 days and certain unemployed veterans who served during those conflicts and were discharged for a service-connected disability. The veterans made eligible would be those having the least favorable prospects of finding adequate employment—that is, those veterans who have been unemployed for at least 15 out of 20 weeks, or those who are out of work and have no realistic opportunity for reemployment. The Committee bill would accomplish this purpose by establishing a program of payments to employers who offer training opportunities to such unemployed, wartime veterans, by providing that the program shall be jointly administered by the Veterans' Administration and the Department of Labor, each of which has certain experiences and capabilities which would be valuable in the administration of the program, and by providing for a program of information and outreach to inform eligible veterans and employers of the opportunities available under this legislation.

Summary of Provisions

S. 1033 as reported would amend part III of title 38, United States Code, Readjustment and Related Benefits, to add a new chapter 44, entitled "Veterans' Emergency Job Training Act". This new chapter would establish an emergency job training program for wartime veterans.

Included in the new chapter are provisions that would:

1. Address the problem of severe and continuing unemployment among veterans by establishing a job training program under which employers would be provided incentives (in the form of payments to defray the costs of training or retraining) to employ in stable, permanent positions that involve significant training or retraining certain wartime veterans who have been unemployed for long periods of time or whose job skills have been rendered obsolete by advances in technology or other industrial changes.
2. Require the Administrator of Veterans' Affairs and the Secretary of Labor jointly to carry out the new job training

program established by the new chapter and to enter into an agreement specifying the responsibilities of the Veterans' Administration and the Department of Labor for the administration of the program.

3. Provide eligibility for the new program to wartime veterans who at any time acquired entitlement to an educational assistance benefit (either the so-called World War II, Korean conflict, or Vietname-era GI Bills) and who are unemployed under specified circumstances.

4. Provide that, in order to be approved as a program of job training for the purposes of new chapter 44, a training program offered by an employer must provide training for a period of not less than six months in an occupation in a growth industry, an occupation requiring the use of new technological skills, or an occupation for which demand exceeds supply, but would permit such programs of between three and six months duration to be approved in certain cases.

5. Limit the maximum period of training during which assistance may be paid to an employer on behalf of an eligible veteran to twelve months, but permit the twelve-month period to be extended for an additional six months in the cases of seriously disabled service-connected veterans.

6. Permit employers to enter into agreements with certain educational institutions for those institutions to provide programs of job training.

7. Provide that payments of assistance on behalf of an eligible veteran shall be made generally on a quarterly basis, upon receipt of certain required certifications from the employer and the veteran, and that such payments shall equal the lesser of 50 percent of the wages paid by the employer to the veteran or an amount based on a $6,000 annual rate (or $9,000 annual rate in the case of seriously disabled service-connected veterans).

8. Permit the payment of assistance to be made on a monthly basis in the case of certain small businesses.

9. Require the conduct of an outreach and public information program, utilizing the services of certain Department of Labor personnel, to maximize training opportunities.

10. Require coordination and consultation with the Secretary of Education and the Administrator of the Small Business Administration to promote maximum job training and employment opportunities under the new program.

11. Prohibit duplication of benefit payments and establish mechanisms to investigate and penalize employers and veterans making false applications or certifications.

12. Prohibit the payment of assistance to an employer on behalf of an eligible veteran if such veteran id not apply for the new chapter 44 program prior to October 1, 1984, and initiate training prior to January 1, 1985.

13. Authorize the appropriation to the Administrator of the VA of $150,000,000 for the purpose of making payments to employers under the new chapter 44 program.

The Committee bill also would provide that, in the event that funds are not made available to the VA for the new program on or

before October 1, 1983, assistance may be paid to an employer if an eligible veteran applies for a program of job training within one year after the date on which funds are made available and commences participation in a program within fifteen months after that date.

Discussion

Background

The Committee bill is essentially a composite of S. 1033 and S. 992. It also reflects substantial technical advice from staff at the Veterans' Employment Service of the Department of Labor, as well as the extremely useful views of representatives of veterans' organizations and other interested individuals. The views so represented covered a wide range of concerns and areas of interest, but revealed a unanimity of thought with respect to the basic form that this legislation ought to take in order to address most effectively, on an emergency basis, the most serious unemployment problems among wartime veterans. The basic consensus that emerged was that the legislation should take the form of a program of payments to employers who hire veterans for training in jobs that are likely to evolve into permanent positions. The Committee shares this view, and is of the opinion that such a system of payments to employers represents the most efficient and most cost-effective means of promptly addressing the present unemployment situation among veterans. Thus, it was this basic concept which formed the basis of the Committee's further deliberations and inquiries.

It is the Committee's intention in adopting this approach to recognize that the needs of unemployed wartime veterans might advantageously be matched with the needs of certain segments of the business community and private industry. The Committee takes notice of the fact that there are, even at the present time of record high unemployment, industries which are experiencing substantial shortages of trained personnel. By establishing a program designed to give wartime veterans a competitive edge in pursuing the necessary training and obtaining available jobs in these areas, it is the Committee's intention that the needs of the business community and needs of unemployed veterans be simultaneously addressed, to the substantial and long-term economic benefit of both and of the Nation at large.

The Committee believes that this approach will prove cost effective. Participating employers will benefit by obtaining a sudden influx of new workers to facilitate long-term economic growth and development, while participating veterans will receive training in occupations for which demand is likely to remain at a high level and which should provide a solid foundation for a stable, permanent, and productive career. Additional cost-efficiencies may be expected to result, although their extent is impossible to gauge in any but the most speculative manner, to the budgets of the Federal and State Governments, in the form of increased income tax revenues, decreased unemployment compensation and welfare program costs, as well as the indirect return to the Treasury through the contribu-

tion to the gross national product that will result from the veterans' increased productivity.

The Committee notes that a similar approach has been implemented through the Targeted Jobs Tax Credit (TJTC) program, authorized by the Revenue Act of 1978 and extended by the Economic Recovery Act of 1981. This program provides a tax incentive for employers to hire certain target groups, including certain groups of veterans, although the eligibility criteria under this program are considerably more narrowly drawn than under the Committee bill, embracing only economically disadvantaged Vietnam-era veterans and service-connected disabled veterans. During fiscal year 1982, approximately 13,600 economically disadvantaged Vietnam-era veterans were hired under the program.

The Committee notes with concern that the unemployment rate among wartime veterans rose in February of this year to its highest level (9 percent) in the 37 years that have elapsed since World War II; that at the same time, some 900,000 Vietnam-era veterans were looking for work; and that among the youngest Vietnam-era veterans, those between the ages of 25 and 29, the unemployment rate was 21 percent, almost double the rate for non-veteran males in the same age group. The Committee notes that subsequent figures indicate some improvement in the unemployment situation, and believes that a short-term, emergency job training initiative such as the one established by the Committee bill, in conjunction with existing education and employment programs of the Veterans' Administration and the Department of Labor, can make a major contribution to ensuring that wartime and disabled veterans emerge from the present unemployment crisis in no worse economic situation than their counterparts in the non-veteran labor force.

A major concern of the Committee in formulating this legislation was to ensure that, although the program would confer a substantial benefit upon both veterans and employers, the primary benefit would be to eligible veterans. The benefit to employers under the program is intended primarily as a means of attracting a sufficiently high level of interest among the business community to make the program a vital and productive source of training and employment opportunities for veterans. In order to advance this goal, the Committee bill would establish a system of safeguards to ensure employer compliance with the criteria established under the program. It is not the Committee's intention to establish a program of subsidized veteran labor for the benefit of business and industry, but rather to confer a very substantial benefit upon eligible veterans—the prospect of stable, permanent employment—in a manner that will also substantially assist those employers that use the program responsibly and in good faith. In this regard, the problem confronting the Committee was to establish requirements that are stringent enough to afford protection to participating veterans and to further the goals of the program, but not so stringent as to discourage applications from the responsible employers that are essential to the success of the program.

It is the Committee's belief that the provisions of the Committee bill strike a sufficiently fair and appropriate balance between these competing considerations to accomplish the Committee's goals.

Provisions of the Committee Bill

Joint administration

The Committee bill provides for joint administration by the Veterans' Administration and the Department of Labor. It requires them to enter into an interagency agreement specifying their respective responsibilities, while requiring that certain administrative functions under the program can be assigned under that agreement only as specified by the legislation. In general, those areas so mandated to one agency or the other are areas that the Committee perceives to fall most clearly within the existing experience and abilities of the agency so designated. In particular, the Committee bill mandates that the Department of Labor shall have the responsibility for all job development activities and that the outreach and public information aspect of the program shall be coordinated with existing Department of Labor activities relating to job counseling, placement, job development and other services. In connection with these provisions, the Committee notes that certain provisions of the Veterans' Compensation, Education, and Employment Amendments of 1982, Public Law 97-306, very significantly expand and strengthen the role and the responsibilities of the Assistant Secretary for Veterans' Employment (ASVE), and improve the effectiveness of the State Directors for Veterans' Employment (SDVE's), Assistant SDVE's and Disabled Veterans Outreach Program (DVOP) specialists, in order better to carry out what that Act identified (in a new section 2000 of title 38, entitled "Findings") as the "national responsibility" to meet the serious unemployment and underemployment problems among disabled and Vietnam-era veterans. The Committee strongly believes that the enhanced statutory authority provided under that Act renders the Department of Labor, through the ASVE, uniquely well suited to carrying out a variety of responsibilities which are indispensable to the successful operation of this program, and has required that the Veterans' Administration and the Department of Labor, in entering into the necessary agreement, make maximum use of the expanded duties and capabilities of Department of Labor personnel under Public Law 97-306 and other relevant provisions of law.

Qualifying occupations

The Committee bill provides that employer job training programs should be established with respect to three types of occupations. The first is occupations in growth industries, which the Committee intends to encompass industries which are experiencing rapid and/or sustained growth, prime examples of which would be the computer industry, the telecommunications industry, the robotics industry, and energy development industries. The concept of rapid or sustained growth may be construed by reference to industrywide trends in common stock performance, rating of bonds, or proliferation of vigorous new competitive enterprises. Second, the Committee bill targets occupations requiring the use of new technological skills—occupations which may be concentrated in growth industries, but may in addition be found in traditional industries experiencing no pronounced pattern of growth, but which may be in the process of retooling or adapting their production methods to accom-

modate new technological advances. The third targeted area—occupations for which demand exceeds supply—may encompass any other traditional industry, including the so-called "smokestack" industries, in which there is a shortage of adequately trained personnel. The Committee intends, however, that this term should not apply to occupations in which the demand, however strong, is expected to be short-lived.

Withholding of approval pending investigation

The Committee bill provides that the administering agency must approve a program of job training where the application for approval and certification submitted in conjunction therewith contain adequate information to indicate prima facie compliance with the requirements governing such application and certification under proposed section 2105. The Committee bill also provides, however, for the withholding of approval pending investigation under proposed section 2011 of any matter that the administering agency deems necessary to investigate in order to determine the actual likelihood of compliance by the employer-applicant. It is the Committee's intention that such withholding of approval pending investigation may be triggered either by circumstances suggesting reasonable doubt about compliance by a particular employer, or through a program of random checks designed to determine whether the information contained in employers' applications are correct and the matters certified are as they have been certified to be. The Committee believes it to be of paramount importance that such a program of random checks be conducted in an even-handed manner, without regard to any factor other than the random sequence designated by the administering agency for "looking behind" the applications and certifications made by certain employers. Thus, when neither of these pre-approval investigation criteria is triggered, the Committee bill's requirement that an employer program with respect to which the application and certification indicate the requisite prima facie compliance be approved by the administering agency, would come into effect. The Committee has chosen this approach in the interests of bringing qualified employers into the program expeditiously, and of minimizing the bureaucratic complications and paperwork which might unnecessarily chill employer interest.

Payments to employers

The Committee bill provides for payments to employers by the Veterans' Administration on behalf of participating veterans in order to assist such employers in defraying the costs of training. The maximum length of training for which payments could be made would be 12 months, except that this period could be extended for an additional 6 months in the case of certain seriously disabled, service-connected veterans—those with 30-percent or more service-connected disabilities and those with 10- or 20-percent rated disabilities who are considered to have a serious employment handicap for purposes of participation in the VA's vocational rehabilitation program. The minimum training period would generally be 6 months.

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The amount of the payment made to the employer would be the lesser of an amount equal to 50 percent of the wages paid to the veteran-trainee or an amount calculated on the basis of an annual rate of $6,000 (or $9,000 in th case of seriously disabled, service-connected veterans).

The Committee intends that such payments should be used by employers to defray any part of the expenses that may reasonably be associated with the training of eligible veterans—primarily the direct costs of training, including the cost of providing and maintaining the necessary equipment, instructional material and instructor personnel, and the cost of submitting required certifications and maintaining adequate records to satisfy requirements under the Committee bill. Payments may also be used for such related costs as may be incurred by an employer employing a disabled veteran in making structural changes to remove architectural barriers, to make modifications to the employer's workplace or to make other adaptations to accommodate the veteran which may be reasonably related to the disability of the veteran so employed.

Payments to small businesses

The Committee bill provides that payments to employers shall be made on a quarterly basis, except that, when an employer is a small business (more specifically, a private, for-profit enterprise employing 500 or fewer employees), payments may be made on a monthly basis. The Committee recognizes that many small business concerns may have significant short-term cash flow problems; for these employers, a system of payment every month rather than every 3 months might be more practical and offer a greater inducement to participate in the program. As noted above, the Committee recognizes that the program may confer a substantial benefit upon certain participating employers, and the Committee intends that a substantial portion of the employers so benefited shall be small businesses. For this reason, the Committee bill also provides that the administering agencies should undertake certain efforts to work with the Small Business Administration in carrying out the program. The Committee's strong concern in this area was last manifested in legislation enacted in the 97th Congress—the Veterans' Health-Care, Training, and Small Business Loan Act of 1981, Public Law 97-72—authorizing a new small business loan program in the VA for certain service-connected disabled and Vietnam-era veterans.

Job development alternatives

The Committee bill provides that when a veteran's application has been approved and the veteran has been determined to be eligible to participate in a program of job training, the veteran shall be furnished with a copy of a certification of eligibility for presentation to any participating employer. It is also provided that the Veterans' Administration and the Department of Labor (but primarily the latter) are responsible for job development activities, both through their own existing job development resources and through a program of information and outreach to employers and unions, although the decision on which job training program to seek to enter would be the veteran's. The Committee also encourages the

pursuit of job development activities through non-governmental resources, either by eligible veterans acting on their own behalf, or by appropriate private organizations (such as those serving primarily the interests of veterans who may be eligible for this program) working with the administering agencies and/or the veteran. The Committee encourages veterans as well as the administering agencies to take advantage of all available job development resources and opportunities which might facilitate and enhance the attainment of the goals of this legislation.

Civil penalties

The Committee bill contains a provision for a civil penalty of up to $1,000 in any case in which an employer has acted willfully or with reckless disregard of the facts in filing a certification or obtaining approval of the employer's program of job training. The process for the imposition of such a penalty by the administering agency, as well as judicial review of such imposition, would be governed by the provisions of the Administrative Procedure Act, as contained in chapters 5 and 7 respectively of title 5, United States Code. The Committee intends that all administrative determinations under this civil penalty provision of the Committee bill shall be made by a single agency, whether the Veterans' Administration or the Department of Labor, as designated in the interagency agreement mandated under proposed section 2102(b). Because the Committee wishes to avoid the possibility of differing or inconsistent imposition of penalties, the designation of which agency is to be responsible for this function should not be altered once decided.

Implementation

The Committee emphasizes that this legislation is of an emergency, short-term nature, and that prompt implementation is essential to the success of the program. Although the Committee has taken care in framing this legislation to minimize the start-up time required both with respect to the program itself and with respect to the application and approval process for veterans and employers (for example, by tracking relevant provisions of the Job Training Partnership Act, Public Law 97-300, wherever possible), some training of agency personnel will inevitably be required to familiarize them with the provisions and requirements of this legislation. The Committee encourages the Veterans' Administration and the Department of Labor to undertake this training and implementation process as expeditiously as is practicable and to do so within existing resources.

Cost Estimate

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office, estimates that the costs resulting from the enactment of the Committee bill during the first 5 years following enactment would be $70 million in fiscal year 1984; $75 million in fiscal year 1985; $18 million in fiscal year 1986; $0 in fiscal year 1987; and $0 in fiscal year 1988. A detailed breakdown of the costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill title: S. 1033.

2. Bill title: Veterans' Emergency Job Training Act.

3. Bill status: As ordered reported by the Senate Committee on Veterans' Affairs, May 11, 1983.

4. Bill purpose: To amend title 38, United States Code, to establish an emergency job training program for wartime veterans.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1984	1985	1986	1987	1988
Direct program costs:					
Authorization level	150	0	0	0	0
Estimated outlays	60	72	18	0	0
Administrative costs:					
Estimated authorization level	10	3	.....	0	0
Estimated outlays	10	3	.....	0	0
Total costs:					
Estimated authorization level	160	3	.....	0	0
Estimated outlays	70	75	18	0	0

The costs of this bill fall within budget function 700.

Basis of estimate: This bill provides funding for training for long-term unemployed veterans who served during a period of war. It authorizes funding for on-the-job training for eligible veterans in occupations or industries that are providing a growing number of jobs. Employers participating in the program will be reimbursed quarterly for half of the wages paid to a trainee, up to an annual reimbursement of $9,000 for a veteran with a service-connected disability or $6,000 for any other eligible veteran. The Veterans' Administration will reimburse employers for up to twelve months of training for non-disabled veterans. The Administrator may grant extensions of up to six months for disabled trainees.

This bill takes effect on October 1, 1983. Veterans must apply for training by September 30, 1984 and must start training by December 31, 1984, in order to qualify for funding authorized in this bill. However, if funds are not appropriated for these provisions by October 1, 1983, the bill states that veterans would be allowed one year from the date of appropriation to apply for training and fifteen months to begin training.

This estimate assumes an enactment date for S. 1033 of July 1, 1983, and appropriation action before October 1. It also assumes full appropriation of the authorization of $150 million for reimbursements to employers for training veterans. Outlay estimates are based on a projection of a constant flow of veterans starting training in the fifteen months preceding January 1, 1985. Outlays for training taking place in the last quarter of the fiscal year are delayed until the first quarter of the subsequent year because employers are reimbursed quarterly after the training has taken place.

Implementation of this program will require additional administrative expenditures by either the Veterans Administration or the

Labor Department. It is assumed in this estimate that the VA will incur the additional administrative expenses. They would be required to locate and approve job training programs. They also must certify and counsel veterans in selecting a program. It is estimated that these activities will cost $10 million in 1984 and $3 million in 1985. The costs are substantially higher in 1984 because most of the work locating and setting up job training programs will take place in the early months of the program.

6. Estimated cost to State and local governments: The Congressional Budget Office has determined that the budgets of State and local governments would not be directly affected by the enactment of this bill.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Kelly Lukins.

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs had made an evaluation of the regulatory impact which would be incurred in carrying out the Committee bill. The results of that evaluation are described below.

A. *Estimates of the numbers of individuals and businesses who would be regulated, and a determination of the groups and classes of such individuals and businesses:* The Committee bill in section 2105(a) provides for regulations governing procedures for obtaining approval of programs to be offered by employers, and in section 2105(c)(2) provides for regulations to establish procedures by which a training program may be disapproved by the administering agency. It is the expectation of the Committee that regulations resulting from enactment of the bill will be of minimal impact. The Department of Labor has indicated it will act primarily through program guidelines, rather than formal regulations, relying on existing regulations and administrative directives established for the purpose of administering other national veteran employment programs established under chapter 41 of title 38, United States Code, and title IV–C of the Job Training Partnership Act. The Veterans' Administration similarly has numerous regulations promulgated concerning approval of programs for veterans participating in on-job training, apprenticeship programs and education programs authorized under chapters 31, 32, 34, 35 and 36 of title 38. Therefore, the Committee expects that both administering agencies will rely primarily on existing guidelines and standards in implementing the program established by the bill.

CBO estimates that 33,000 veterans will participate in the employment training during 1984, and another 8,600 in 1985. It further estimates that each business or employer participating will

train two or three veterans. Therefore, during the lifetime of the program, an estimated 15,000 businesses, employers or schools (by arrangement or agreement with employers) may be affected by regulations promulgated under the Committee bill.

Businesses so regulated would include any which apply for approval under section 2105(a) and submit applications and certifications under section 2105(b). Such business would include, under section 2105(d), those offering programs approved under section 1787 of title 38; and under section 2106, schools contracting with employers to provide employment training.

No individuals would be regulated.

B. *Determination of the economic impact of such regulations on individuals, consumers and businesses affected:* There would be no regulation of individuals or consumers.

Under section 2105 employers will be required to certify that their training programs meet certain standards. It is expected that the costs of meeting such standards will be more than offset by the training payments to be made to the employer.

C. *Determination of the impact on the personal privacy of the individuals affected:* The enactment of the Committee bill would have no significant impact on the personal privacy of participating individuals beyond any loss of privacy ordinarily entailed in claiming veterans' benefits and participating in a benefit program that is subject to VA monitoring to censure compliance with program requirements.

D. *Determination of the amount of additional paperwork that will result from regulations to be promulgated under the bill:* Both the individual veteran participant and the employer will be required to submit an application for program participation. Applications by employers must be accompanied by certifications that certain criteria under the program will be met. In addition, both employers and veterans must submit certifications of participation before payments may be made by the administering agency.

The paperwork burden in promulgating these regulations should be no more than the burden involved in establishing through and adequate safeguards to protect the procedural rights of program participants.

Section-by-Section Analysis of S. 1033 as Reported

Section 1

Would provide that the Committee bill may be cited as the "Veterans' Emergency Job Training Act".

Section 2

Subsection (a) of section 2 would amend part III of title 38, United States Code, relating to readjustment and related benefits, to add a new chapter 44, entitled "Veterans' Emergency Job Training Program", consisting of 13 sections, as follows:

New section 2101.—Purpose: Would state that the purpose of new chapter 44 is to address the problem of severe and continuing unemployment among veterans by providing incentives to employers (in the form of payments to defray the costs of training or retraining) to hire wartime veterans who have been unemployed for long

periods of time or who have job skills that have been rendered obsolete, by advances in technology or other industrial changes, for employment in stable, permanent positions that involve significant training or retraining.

New section 2102.—Establishment of program; administration: Would provide for the establishment of the new program of job training and specify responsibilities with respect to administration of the program.

Subsection (a) of new section 2102: Would require the Administrator of Veterans' Affairs (hereinafter referred to as "the Administrator") and the Secretary of Labor (hereinafter referred to as "the Secretary") jointly to carry out a program to assist eligible veterans in obtaining employment in stable, permanent positions that involve significant training or retraining. The assistance available under the program would be in the form of payments to employers to defray the costs of training eligible veterans employed in such positions.

Subsection (b) of new section 2102: Would require that the Administrator and the Secretary, not later than sixty days following the date of the enactment of the Committee bill or October 1, 1983, whichever first occurs, enter into an agreement specifying the responsibilities of each with respect to the administration of the program that would be established by new chapter 44. That agreement would be required to provide that the Administrator would be responsible for determining whether veterans meet the service requirements set forth in proposed new section 2103 and for making payments to employers under proposed new section 2108. The agreement would also be required to provide that the Secretary would be responsible for determining whether veterans meet the unemployment criteria set forth in new section 2103 and for job development activities under new section 2110. This subsection would further provide that the term "administering agency" as used in new chapter 44 would mean either the Veterans' Administration or the Department of Labor or both, as specified in the required agreement.

Subsection (c) of new section 2102: Would require the Secretary to carry out responsibilities under the proposed new chapter 44 through the Assistant Secretary of Labor for Veterans' Employment, a position established by present section 2002A.

New section 2103.—Eligibility; application; certification: Would set forth eligibility criteria for veterans, requirements with respect to applications by veterans for participation in the program, and a procedure for providing eligible veterans with certifications of eligibility.

Subsection (a) of new section 2103: Would provide that an eligible veteran is a veteran (1) who served during a period of war and who had at any time acquired entitlement to educational assistance benefits under a so-called "GI Bill", and (2) who is unemployed and either has been unemployed for at least 15 of the 20 weeks immediately preceding the date of application for participation in the new program, or has been terminated or laid off from employment and has no realistic opportunity to return to the same or similar employment in the same geographic area. A veteran would be considered unemployed when the veteran is without a job and wants and

is available for work. In order to have established entitlement for GI Bill assistance, a veteran was generally required to have received a discharge under conditions other than dishonorable and to have met certain minimum-service requirements: World War II—90 days; Korean conflict—90 days; and Vietnam era—180 days. In addition, under each GI Bill, a veteran discharged for a service-connected disability was also entitled to assistance even though he or she did not satisfy the applicable minimum-service requirement.

Subsection (b) of new section 2103: Would require a veteran who desires to participate in the new program to submit an application (in the form and containing the information that the administering agency prescribes) specifying the training objective. The application would be required to be approved unless the veteran does not meet the eligibility criteria or is already qualified for the training objective.

Subsection (c) of new section 2103: Would provide that the administering agency is to furnish a veteran who is determined to be eligible for participation in the new program with a certification of eligiblity for presentation to an employer offering a program of job training approved under the new program.

New section 2104.—Employer job training programs: Would establish certain criteria for the types of job training programs that would qualify for approval under the new program.

Paragraph (1) of subsection (a) of new section 2104: Would provide that, except as provided in paragraph (2) of new section 2104(a) (discussed below), in order for a program of job training to qualify for approval, it must provide training approved under the new chapter for a period of not less than 6 months and the training must be in an occupation in a growth industry, an occupation requiring the use of new technological skills, or an occupation for which demand exceeds supply.

Paragraph (2) of subsection (a) of new section 2104: Would permit a period of training of between 3 and 6 months to be approved when it is determined, in accordance with standards prescribed by the administering agency, that the purpose of the new chapter would be met.

Subsection (b) of new section 2104: Would provide that the maximum period of training for which assistance may be paid to an employer under the new chapter generally would be 12 months. However, that period could be extended by the administering agency for an additional 6-month period in the case of a veteran with a service-connected disability rated at 30 percent or more or at 10 or 20 percent if—under present section 1506, relating to the determination of serious employment handicaps for the purposes of the VA's program of rehabilitation for veterans with service-connected disabilities—the veteran has been determined to have a serious employment handicap.

Subsection (c) of new section 2104: Would permit an eligible veteran who has been approved for participation in the new program to accept an approved training program offered to the veteran by any employer.

New section 2105.—Approval of programs: Would set forth procedures and criteria for the approval of programs of jobs training under the new program.

Subsection (a) of new section 2105: Would permit assistance to be paid to an employer on behalf of an eligible veteran only if the veteran is participating in a program of job training approved in accordance with the procedures prescribed by the administering agency and the program meets the other requirements of the new chapter 44.

Subsection (b) of new section 2105: Would require employers who desire to have programs of job training approved for the purposes of the new chapter to submit a written application. The application would be required to be in the form and contain the information prescribed by the administering agency and to certify—

(1) that the employer has planned for the employment of the veteran in the position for which the training is offered and that there is no reason to expect that that position will not be available to the veteran on a stable, permanent basis at the completion of training;

(2) that the wages and benefits to be paid to an eligible veteran while in training under this new program will not be less than wages and benefits normally paid to similarly circumstanced employee-trainees not participating under this new program;

(3) the total number of hours of training to be offered and a description of the training content of the program and of the training objective;

(4) that the employment of an eligible veteran under the new program will not result in the displacement in any way of currently employed workers, will not be in a job identical or substantially similar to one from which any other individual is on layoff, or will not be in a job that was opened up through the termination of any regular employee or reduction of the employer's work force in anticipation of hiring a veteran under this new program;

(5) that the training content of the program is adequate to accomplish the training objective;

(6) that the job for which training is to be received customarily requires training of not less than an average of 30 hours per week for a period of not less than 6 months (or such shorter period of time as may be approved under proposed new section 2104(a)(2) (discussed above));

(7) that the training period is not longer than the length of training programs that employers in the community customarily require new employees to complete in order for such employees to become competent in the job for which training is received;

(8) that the space, equipment, instructional material, and instructor personnel necessary to accomplish the specified training objective are available;

(9) that the employer will keep records adequate both to show the progress made by veterans participating in training under the new program and otherwise to demonstrate compliance with the requirements of the proposed new chapter; and

(10) that the training program meets such other criteria as may be established by the administering agency.

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Paragraph (1) of subsection (c) of new section 2105: Would require that, except as provided in paragraph (2) of new subsection 2105(c), a program of job training be approved by the administering agency unless the application does not contain a certification and information which meets the requirements of proposed new section 2105(b).

Paragraph (2) of subsection (c) of new section 2105: Would permit the administering agency to withhold approval of a program of job training pending the outcome of an investigation under proposed new section 2111(c) (discussed below). Based on such outcome, the administering agency would be authorized to disapprove the program in accordance with regulations that the administering agency would be required to prescribe.

Subsection (d) of new section 2105: Would provide that, for the purposes of the approval of programs under the new chapter, a program of apprenticeship or other on-job training approved for the purposes of present section 1787, relating to the payment of GI Bill benefits for such training, would be considered to meet all requirements for approval under the proposed new chapter.

New Section 2106.—Training establishments: Would permit an employer to enter into an arrangement or agreement with an educational institution that has been approved for the enrollment of veterans under present chapter 34 of title 38, relating to educational assistance for veterans, for that institution to provide the program of training (or a portion thereof). When such an arrangement or agreement has been entered into, the application of the employer would be required to disclose that fact and describe the training to be provided by the institution.

New section 2107.—Nonqualifying programs of training: Would prohibit the provision of assistance under the proposed new chapter 44 program in connection with training leading to employment (1) in a seasonal, intermittent, or temporary job, (2) under which commissions are the primary source of income, (3) involving political or religious activities, or (4) with any division of the Federal Government (including the United States Postal Service and Postal Rate Commission), or training that is not carried out in the United States.

New section 2108.—Payments to employers: Would establish the manner in which payments to employers are determined and made.

Subsection (a) of new section 2108: Would provide that, except as provided in subsections (b) and (c) of new section 2108, payments to an employer of an eligible veteran participating in an approved program of job training would be made on a quarterly basis. The amount of such payments would not be authorized to exceed the lesser of (1) 50 percent of the wages paid by the employer to the veteran during the period for which payment was made or (2) an amount calculated on the basis of an annual rate of $6,000. In the case of a veteran with a service-connected disability rated at 30 percent or more or a veteran with a service-connected disability rated at 10 or 20 percent who has been determined to have a seriouis employment handicap, this latter amount would be calculated on the basis of an annual rate of $9,000.

Subsection (b) of new section 2108: Would permit payments to be made for approved job training programs on a monthly basis to an

employer who is a private, for-profit enterprise employing five hundred or fewer employees.

Subsection (c) of new section 2108: Would prohibit payments to an employer until the administering agency has received (1) a certification from the veteran as to his or her actual employment and training during the period for which payment is to be made, and (2) a certification from the employer that the veteran was employed and that his or her performance and progress were satisfactory during the period for which payment is to be made. The first such certification submitted by an employer would also be required to indicate the date on which the employment of the veteran began.

Subsection (d) of new section 2108: Would prohibit the payment of assistance to an employer on behalf of an eligible veteran—

(1) during the same period that assistance is paid to the veteran under chapter 31, 34, or 36 title 38;

(2) if the employer is receiving any other form of assistance on account of the employment or training of the veteran, including assistance paid under the Job Training Partnership Act (Public Law 97–300); of

(3) if the veteran had previously completed a program of job training under the proposed new chapter 44 program.

New section 2109.—Discontinuance of approval of employer programs; overpayments; penalties: Would establish procedures for discontinuance of approvals, specify liabilities for and procedures to recover overpayments, and establish certain penalties.

Subsection (a) of new section 2109: Would authorize the administering agencies immediately to disapprove further participation by eligible veterans in any previously approved program of job training if the agency finds that the program fails to meet any of the requirements established under the new chapter 44 program. When such a program is disapproved, a statement of the reasons for, and an opportunity for a hearing with respect to, such disapproval would be required to be provided to the employer and each affected eligible veteran. Notification of the disapproval and the reasons for it and of the hearing opportunity would be required to be given through a certified or registered letter.

Paragraph (1) of subsection (b) of new section 2109: Would provide that, if an overpayment of assistance is made to an employer on behalf of an eligible veteran as a result of a certification or information contained in an application submitted by an employer that was false or clearly unsupportable in any material respect, the amount of the overpayment would constitute a liability of the employer to the United States.

Paragraph (2) of subsection (b) of new section 2109: Would provide that, if an overpayment of assistance is made to an employer on behalf of an eligible veteran as a result of a certification or information contained in an application submitted by a veteran that was false or clearly unsupportable in any material respect, the amount of the overpayment would constitute a liability of the veteran to the United States.

Paragraph (3) of subsection (b) of new section 2109: Would provide that overpayments under this chapter would be recoverable in the same manner as any other debt due the United States.

Subsection (c) of new section 2109: Would provide that whenever the administering agency finds that an employer, willfully or with reckless disregard of the facts, has made a false certification under proposed new section 2105, relating to approval of programs, or proposed new section 2108(c)(2), relating to certifications required to be made for payment purposes, or under any lawful regulations issued under those sections, or has caused the administering agency to make a certification or give approval contrary to such sections or such regulations, the employer would be subject to a civil penalty of not to exceed $1,000 for each such violation. The penalty would be imposed by the administering agency, but would be permitted only after an adjudication required to be determined on the record after opportunity for a hearing, and the actions taken by the administering agency to impose the civil penalty would be reviewable in federal district court. The Committee notes that, by virtue of section 554(a) of title 5, United States Code, the requirement for an adjudication determined on the record after opportunity for a hearing would trigger the applicability of various provisions of the Administrative Procedure Act (sections 554–57 of title 5, United States Code) to the proceedings by which a penalty would be imposed.

The Committee wishes to emphasize its intention that the designation of the VA or the Department of Labor (pursuant to the agreement under new section 2102(b)) as the administering agency for the purposes of carrying out this section should be permanent. The permanence of the designation for this purpose would help to avoid any highly undesirable and unnecessary changes in procedures, practices, and policies regarding the imposition of penalties.

New section 2110.—Coordination; information and outreach: Would provide for the conduct of an information and outreach program and coordination with other Federal agencies.

Subsection (a) of new section 2110: Would require the administering agencies to conduct an outreach and public information program to inform private industry and businesses, educational institutions, trade associations, and unions of opportunities under the proposed new chapter 44 program and to promote job development by encouraging employers and unions to make training programs available for eligible veterans. The program would be required to be coordinated with job counseling, placement, development, and other services provided for under chapters 41 and 42 of title 38, relating to job counseling, training and placement services for veterans and employment and training of disabled and Vietnam-era veterans, respectively, and other similar services available through public agencies and organizations.

Subsection (b) of new section 2110: Would require the administering agencies to request and obtain from the Administrator of the Small Business Administration a listing of small business concerns (and updates of such listings on a regular basis). The listing would be required to be used to identify and promote possible training and employment opportunities for eligible veterans.

Subsection (c) of new section 2110: Would require the administering agencies, in consultation and cooperation with the Secretary of Education, to take appropriate actions to advise educational institutions of the opportunities available under the proposed new chap-

ter 44 program including the opportunities for educational institutions to enter into arrangements or agreements with employers under new section 2106, relating to training establishments (discussed above).

Subsection (d) of new section 2110: Would require the administering agencies to assist veterans and employers in making applications for and completing necessary certifications for participation in the new chapter 44 program.

Subsection (e) of new section 2110: Would require the Secretary of Labor, in carrying out responsibilities under this chapter, to make maximum use of the services of State and Assistant State Directors for Veterans' Employment, disabled veterans' outreach program specialists, and employees of local employment service offices responsible for assisting veterans. The Secretary would also be required to use such resources as are available under title IV–C of the Job Training Partnership Act.

Subsection (f) of new section 2110: Would require the administering agencies to endeavor to achieve an equitable regional distribution of training opportunities based on regional data concerning the rate of unemployment among wartime veterans and taking into account the regional distribution of eligible veterans and approved programs of job training.

New section 2111.—Inspection of records; investigations: Would set forth responsibilities and authorities with respect to inspection of records, monitoring, and investigations.

Subsection (a) of new section 2111: Would require that the records and accounts of employers needed to ascertain compliance with the requirements of the proposed new chapter be available at reasonable times for examination by authorized representatives of the Federal Government.

Subsection (b) of new section 2111: Would authorize the administering agencies to monitor all participants in the new chapter 44 program to determine whether they are complying with the requirements of the program.

Subsection (c) of new section 2111: Would authorize the administering agencies to investigate any matter they deem necessary to determine compliance with the requirements of the new chapter 44 program, and would provide that such investigations may include examining and copying records, questioning employees, entering any place where any part of a job training program is being conducted or where the employer's records are kept.

New section 2112.—Termination of program: Would provide that no assistance be paid (1) on behalf of a veteran who applies for participation after September 30, 1984, or (2) for any program of job training which commences after December 31, 1984. However, section 2(c) of the Committee bill (discussed below) provides for extending these dates if funding to initiate the programs is not made available by October 1, 1983.

New section 2113.—Authorization of appropriations: Would authorize the appropriation to the Administrator of $150 million for the purposes of making payments to employers under the proposed new chapter 44 program.

Subsection (b) of section 2 would amend the table of chapters at the beginning of title 38 and at the beginning of part III of title 38 to reflect the addition of the proposed new chapter 44.

Subsection (c) of section 2 would provide that, notwithstanding the provisions of new section 2112 of title 38 (discussed above), as proposed to be added by the Committee bill, in the event that funds are not made available to the VA on or before October 1, 1983, for the purposes of making payments to employers, the assistance may be paid to an employer under the new chapter 44 program if an eligible veteran applies for a program of job training under that chapter within 1 year after the date on which such funds are made available to the Veterans' Administration and participation in the program commences within 15 months after that date. This provision would help ensure that veterans have a full 1-year period to apply and a full 15-month period to begin training after funds become available.

Section 3 would provide that the amendments made by the Committee bill would take effect on October 1, 1983.

Tabulation of Votes Cast in Committee

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or proxy by Members of the Committee on Veterans' Affairs at a May 11, 1983, meeting to consider S. 1033.

The Committee agreed to report S. 1033, with an amendment in the nature of a substitute, favorably to the Senate by a 12–0 vote, as follows:

Yeas. (12)	Nays (0)
Alan Simpson	
Strom Thurmond	
Robert Stafford	
Bob Kasten	
Jeremiah Denton	
Frank Murkowski	
Arlen Specter	
Alan Cranston	
Jennings Randolph	
Spark Matsunaga	
Dennis DeConcini	
George Mitchell	

Prior to that vote, four motions to amend the Committee bill were made as described below.

First, the Committee did not adopt a motion made by Senator Cranston to modify the committee bill so as to provide that the new job-training program would be established as a temporary entitlement without the need for a specific appropriation rather than as an authorization of appropriations, by a record vote of 6–6, as follows:

Yeas (6)	Nays (6)
Alan Cranston	Alan Simpson
Jennings Randolph	Strom Thurmond

Spark Matsunaga	Robert Stafford
Dennis DeConcini	Frank Murkowski
George Mitchell	Jeremiah Denton
Arlen Specter	Rudy Boschwitz

Second, the Committee did not adopt a motion made by Senator Cranston to establish the new job training program as a temporary entitlement without the need for a specific appropriation with total expenditures for such program capped at a level of $150 million, by a record vote of 6–6, as follows:

Yeas (6)	Nays (6)
Alan Cranston	Alan Simpson
Jennings Randolph	Strom Thurmond
Spark Matsunaga	Robert Stafford
Dennis DeConcini	Frank Murkowski
George Mitchell	Jeremiah Denton
Arlen Specter	Rudy Boschwitz

Third, the Committee adopted a motion made by Senator Cranston to provide that in the event that appropriations are not made available for the new program authorized by the Committee bill on or before October 1, 1983, assistance may be paid to an employer if an eligible veteran applies for a program of job training within one year after the date on which funds are made available and commences participation in an approved program within fifteen months after that date, by unanimous voice vote.

Fourth, the Committee rejected a motion made by Senator Cranston to provide for a 15-percent increase in rates of vocational rehabilitation subsistence and GI Bill educational assistance allowances, effective September 15, 1984, by a record vote of 5–7, as follows:

Yeas (5)	Nays (7)
Alan Cranston	Alan Simpson
Jennings Randolph	Strom Thurmond
Spark Matsunaga	Robert Stafford
Dennis DeConcini	Frank Murkowski
George Mitchell	Arlen Specter
	Jeremiah Denton
	Rudy Boschwitz

Agency Reports

On April 27, 1983, the Veterans' Administation submitted a report on S. 1033. Also the Office of Management and Budget submitted an agency report dated May 6, 1983, on S. 1033. Agency reports were submitted, on S. 992, by the Veterans' Administration on April 27, 1983, and by the Office of Management and Budget on May 5, 1983. These agency reports follow:

Office of the
Administrator
of Veterans Affairs

Washington, D.C. 20420

Veterans
Administration

APRIL 27 1983

Honorable Alan K. Simpson
Chairman, Committee on
Veterans' Affairs
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

This will respond to your request for the views of the Veterans Administration on S. 1033, 98th Congress, a bill cited as the "Veterans' Emergency Job Training Act." The Administration opposes the enactment of S. 1033. Public Law 98-8, the comprehensive jobs bill, was recently enacted into law providing a substantial sum from the Federal budget for providing jobs for our general population and that measure should be given a chance to work before any further jobs bills are favorably considered.

This measure proposes to establish a new emergency job training program to provide incentives to employers, in the form of partial defrayal of the costs of training, to hire veterans who served during a period of hostilities, for positions that involve significant training or retraining. The Secretary of Labor, through the Assistant Secretary of Labor for Veterans' Employment, would be charged with administering the program.

Veterans who would be eligible under this new program would be those who meet the service requirements of section 521(j) of title 38, United States Code, which includes those veterans who served for a period of 90 days or more, any part of which was during a period of war. Veterans must have been unemployed for 15 or more consecutive weeks at the time of filing application for participation. A veteran would be considered to be unemployed when the veteran is without a job and wants and is available for work. A veteran would be barred from concurrently receiving assistance under the new program and under either the vocational rehabilitation program authorized by chapter 31 of title 38, the contributory education program created under chapter 32, the GI Bill program, or the Job Training Partnership Act.

An eligible veteran would be required to submit an application to the Secretary of Labor who would approve the application unless the veteran is already qualified in the field for which the training would be provided or where the veteran's opportunities for employment would not be increased or advanced by

such training. A veteran determined eligible would be certified as such by the Secretary with the veteran being given a copy of the certification for presentation to an employer offering a job training program.

The job training program must provide eligible veterans with training for a period of not less than 6 months. Service-disabled veterans rated 30 percent or more disabled would be granted 12 months of assistance and other eligible veterans would be allowed 6 months. The veteran may select an approved job training program with any private employer.

An eligible veteran may be paid assistance only if the program to be pursued is approved. To be approved, the program must meet the following criteria: (1) the employer believes it probable that a position of the type for which the veteran is to be trained will be available on a stable, permanent basis at the end of the training period; (2) the veteran will be provided not less than 3 weeks of continuing regular employment for each week of training; (3) the wages and benefits to be paid are not less than the wages and benefits normally paid other employees participating in a comparable training program; (4) the program sets forth the total number of hours of training, the training content, and the training objective; and (5) employment of the veteran will not displace a currently employed worker and will not result in hiring a veteran to fill a job opening created by laying off or terminating a regular employee.

The Secretary of Labor shall not approve a training program unless the Secretary finds the following conditions are met by the employer: (1) the training content of the program is adequate to train the veteran in the training objective; (2) the occupation for which trained requires full-time training for a period of not less than 6 months; (3) the length of the program is not longer than customarily required by other employers in the community; (4) the training establishment is adequate in terms of space, etc.; (5) adequate records are kept by the employer; (6) the program will not be given to veterans already qualified; (7) there is a reasonable probability that a position for which the veteran is being trained will be available with the employer on a stable, long-term basis; and (8) the program meets other criteria set by the Secretary. The Secretary shall give preference to programs of training in growth industries, in new technological skills, and in occupations for which demand exceeds supply. The Secretary shall also endeavor to achieve equitable regional distribution of training opportunities on a regional basis.

Payments to employers shall, except in the case of certain small businesses, be made upon completion of the job training program. The amount, intended to defray, in part, the cost of the veteran's training, is limited to the lesser of 25 percent of the wages paid during the training period, or the actual cost to the employer of the training, or $6,000 for service-connected disabled veterans rated 30 percent or more, or $3,000 in the case of any other eligible veteran. Payments may not be made until the Secretary receives a certification from the veteran as to the veteran's actual employment during the period, and from the employer a certification that the veteran was employed and progressing satisfactorily, the date on which the employment began, and that the veteran was employed for an average of 30 hours a week for the period for which payment is made.

The Secretary of Labor shall discontinue payments on behalf of a veteran where the veteran is not making satisfactory progress. Where the Secretary finds the training program fails to meet the requirements of the new Act, the Secretary shall immediately disapprove further participation of veterans in that program. If the Secretary finds the employer has made a false certification, the program will be disapproved and any overpayments made because of such a certification shall be collected from the employer. Certain penalties are also assessed where the Secretary finds that violations have occurred due to willful or reckless disregard of approval or payment certification requirements.

The Secretary shall make special efforts to inform eligible veterans and employers of the training opportunities, and shall also coordinate the program with other job training and counseling provisions of chapters 41 and 42 of title 38, and shall make use of the Disabled Veterans' Outreach Program as well as utilize programs under the jurisdiction of the Small Business Administration.

The Administrator, in consultation and cooperation with the Secretary, shall provide an outreach and public information program to inform veterans and employers of the opportunities under the Act.

The records of employers shall be made available to the Secretary for inspection and compliance purposes. Applications for assistance may not be submitted after September 30, 1984, and no payments may be made to employers after September 30, 1985. The measure authorizes an appropriation of $75 million to carry out the program. The program would become effective on October 1, 1983.

As was previously stated, the Administration opposes the enactment of this jobs bill. Although Public Law 98-8 did not include a specific set-aside for veterans, we are confident, since veterans comprise a large segment of our population, that they will be aided by the new program.

Under the provisions of section 2012 of title 38, Federal contractors entering into contracts for $10,000 or more with any Federal department or agency are required to take affirmative action to employ disabled and Vietnam era veterans. We contemplate taking a sample to determine the number of veterans who have been employed by Federal contractors to provide maintenance and repair work in our hospitals in conjunction with the VA portion of the new, comprehensive jobs program recently enacted in Public Law 98-8.

We also believe that many of the disabled veterans who would be included in S. 1033 could be assisted through our vocational rehabilitation program. We now have authority to directly place in jobs those veterans who have trained not only under our rehabilitation program, but those veterans who have been assisted under the Rehabilitation Act and who are determined to be employable.

Under the authority given us in chapter 31, a major responsibility of the VA under our vocational rehabilitation program is the development of a comprehensive plan known as an Individualized Employment Assistance Plan (IEAP) which identifies specific services and benefits which the veteran may receive during an employment assistance period of up to 18 months. Approximately 4,000 such IEAPs were prepared during Fiscal Year 1982, and 89 percent of those individuals for which a plan was prepared were confirmed in suitable employment.

We would add that veterans who train under our vocational rehabilitation program also have available to them a variety of services in addition to the job placement aid. These include needed medical services, supplies needed by veterans in obtaining needed licensures, and on-job training during which time veterans receive a subsistence allowance from the VA.

Another point which should be emphasized is that last summer the VA and Department of Labor entered into a comprehensive agreement covering coordination between the two agencies in providing employment assistance not only for our vocational rehabilitation trainees, but for other veterans as well.

Under this new comprehensive agreement we work with the State Employment Service Agency, including close coordination with the Disabled Veterans Outreach Program (DVOP).

Current law provides several employment advantages for veterans. For example, chapters 41 and 42 of title 38, United States Code, give veterans priority referral to jobs listed with employment services and require all Government contractors to take affirmative action to employ disabled veterans.

In addition, the Administration already supports several initiatives that will serve veterans in need of retraining and jobs. The Job Training Partnership Act (JTPA) passed last year will provide training and retraining of those experiencing difficulty in the labor market. The JTPA starts a new program of assistance to experienced workers who lose their jobs due to plant closings or technological change; affected veterans will be eligible for retraining and relocation assistance under this program. JTPA also establishes a set-aside for a Veterans' Employment Program whereby programs will be conducted to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans who are recently separated from military service. Implementation of this program, which becomes effective October 1, 1983, is on schedule.

Other job-finding assistance is available through the provisions of the Targeted Jobs Tax Credit. Employers who hire economically disadvantaged and disabled Vietnam era veterans are eligible for a tax credit of 50 percent of the first $6,000 in wages paid for the first year on the job, and 25 percent of the first $6,000 paid for the second.

These are just some of the examples of the range of services already available to help veterans improve their labor market situation.

You asked that we provide you with our analysis of some of the problems which we foresee should S. 1033 be enacted.

First, we believe that the eligibility requirements set forth in section 2103(a)(1) are too broad. The requirements of section 521(j) of title 38, relate to wartime veterans who have 90 days of service or more. We believe this would include World War I veterans whose age would presumably remove them from the category of those to be aided.

Second, the bill provides for participation in the program for a period of 6 months by nondisabled veterans and for 12 months by those veterans determined to have a service-connected disability rated at 30 percent or more. We would suggest that in some cases nondisabled as well as disabled veterans could require a longer period of time. The Committee may, therefore, wish to consider allowing up to a maximum of 18 months in exceptional cases where it is determined that this amount of training is required to place the veteran into an employment status where he or she can be assured of permanent, long-term employment. Concurrent consideration would also have to be given to the length of the program if this recommendation were to be implemented. We have determined from experience in administering our on-job and apprentice training programs under the GI Bill that in certain cases veterans may need a longer period of time than that provided under the bill.

Third, you may wish to give further consideration to the provision set forth in section 2105(b)(2) of the measure which requires an employer to provide not less than 3 weeks of continuing regular employment to a veteran for each week of training provided the veteran. This means that if a veteran trains for 6 months, he or she would have to be given 1 and 1/2 years of guaranteed employment following the training and, in the case of a disabled veteran who trains for 12 months, the guaranty would have to be for 3 years. This could discourage many employers from participating in the program.

Fourth, section 2105(d)(2) requires the Secretary of Labor "to endeavor to achieve an equitable regional distribution of training opportunities, based on a comparison of regional data concerning the rate of unemployment among veterans of a period of war." It appears that this could result in the potential for a "quota" system which could bar some deserving veterans in certain areas, where job training opportunities might be available, from being given the opportunity to train because some other geographical area has not been able to place sufficient numbers of veterans.

Fifth, section 2106 provides for payments to employers upon completion of the program or termination of the veteran's eligibility. An exception would be created for some small businesses which could be paid on a monthly basis. The Committee may wish to consider authorizing payments on a quarterly basis. In the case of disabled veterans training for 12 months, the employer would not receive any payment until the end of the 12-month training period, unless the employer is a small business coming within the definition set forth in the measure.

Sixth, section 2108(b) calls for penalties against employers for making certain false certifications. We would suggest for equity purposes that penalties also be imposed on veterans where they are involved in similar false certifications.

It is estimated that enactment of S. 1033 would result in additional administrative costs in Fiscal Year 1983 of $866,000 and additional administrative costs in Fiscal Year 1984 of $2,595,000. We would note that these are the Veterans Administration's costs and do not include the cost to the Department of Labor, which has primary responsibility under this measure.

For the reasons set forth above, the Administration opposes the enactment of S. 1033.

This report has described some of the programs and initiatives the Administration is actively supporting in its efforts to aid the veteran population. In addition, the Administration continues to be committed to enforcing veterans' preference where applicable and other regulations promoting veterans' employment opportunities. For example, the Administration is working with State employment services and the Disabled American Veterans to promote hiring of 30 percent or more disabled veterans. Also, the Office of Personnel Management is launching a new training course for Agency, EEO, and staff officials to promote hiring of veterans--merit staffing and employee relations as they relate to veterans' preference, veterans' readjustment appointments, affirmative action for disabled veterans, and the Veterans' Training Program.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this report to the Congress, and enactment of S. 1033 would not be in accord with the program of the President.

Sincerely,

Everett Howard

HARRY N. WALTERS
Administrator Deputy Administrator For

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Honorable Alan K. Simpson
Chairman
Committee on Veterans' Affairs
United States Senate
Washington, D.C. 20510

May 6, 1983

Dear Mr. Chairman:

This is in reply to your request of April 19, 1983, for the views of this Office on S. 1033, the "Veterans' Emergency Job Training Act".

In its report to your Committee on S. 1033, the Veterans Administration (VA) indicated that the Administration opposes the enactment of S. 1033. As noted in the VA report, Public Law 98-8, the comprehensive jobs bill, was recently enacted into law providing a substantial sum from the Federal budget for providing jobs for our general population, that measure should be given a chance to work before any further jobs bills are favorably considered.

Furthermore, as the VA report mentioned, the Administration already supports various activities serving veterans in need of retraining and jobs; e.g., the VA vocational rehabilitation program, the Job Training Partnership Act, and the Targeted Jobs Tax Credit. Moreover, the Administration remains committed to enforcing veterans' preference where applicable and other regulations promoting veterans' employment opportunities.

The Office of Management and Budget concurs in the views expressed by VA in its report and, accordingly, opposes enactment of S. 1033. Enactment of this bill would not be in accord with the program of the President.

Sincerely,

James M. Frey

James M. Frey
Assistant Director for
Legislative Reference

Office of the
Administrator
of Veterans Affairs

Washington, D.C. 20420

Veterans
Administration

APRIL 27 1983

Honorable Alan K. Simpson
Chairman, Committee on
Veterans' Affairs
United States Senate
Washington D. C. 20510

Dear Mr. Chairman:

This will respond to your request for the views of the Veterans Administration on S. 992, 98th Congress, a bill cited as the "Veterans Emergency Retraining Act of 1983." The Administration opposes the enactment of S. 992. Public Law 98-8, the comprehensive jobs bill, was recently enacted into law providing a substantial sum from the Federal budget for providing jobs for our general population and that measure should be given a chance to work before any further jobs bills are favorably considered.

This measure proposes to establish a new emergency retraining program for those veterans who have been unemployed for long periods of time, or who have job skills that have been rendered obsolete by advances in technology or other industrial changes, and who need retraining in sustained-demand skill areas in order to obtain and retain employment.

Veterans who would be eligible under this new program would be those who acquired entitlement to educational assistance benefits under the World War II, Korean conflict, and Vietnam era GI Bill programs. The veteran (1) must have been unemployed for at least 15 out of the 20 weeks immediately preceding the date on which the veteran applies for assistance under the new program, or (2) is unemployed and has been terminated or laid-off from employment, and is eligible for or has exhausted entitlement to unemployment compensation, and has no realistic opportunity to return to employment in the same or a similar occupation in the geographical area where the veteran previously held employment.

Eligible veterans would be permitted to participate in a training program in a "sustained-skill" area for a period up to 12 months, or for an additional period of up to 6 months where the veteran is disabled due to a service-connected disability rated at 30 percent or more.

The proposal would become effective on October 1, 1983. Programs of training may not be commenced after the last day of the 30th month following the month in which the measure is enacted with training assistance barred for any program which commences after that period of time. Eligible veterans who wish to participate, as well as employers who wish to provide training programs, must file an application with the Administrator and provide data determined necessary by the Administrator. The veteran's application shall be approved unless the Administrator finds (1) the veteran is not entitled to assistance, (2) the training program fails to meet necessary requirements, or (3) the veteran is already qualified for the training objective.

Payment will be made quarterly to employers participating in the program. The total amount of the payment shall equal 50 percent of the wages paid by the employer or calculated at an annual rate of $6,000, whichever is lesser. In the case of veterans who are disabled 30 percent or more, the payment shall be equal to 50 percent of the wages paid or calculated at an annual rate of $9,000, whichever is lesser.

Payments may not be made until the Administrator has received a certification from the veteran as to his or her actual employment and training during that quarter, and a certification from the employer as to the veteran's employment and satisfactory pursuit of a training program provided by the employer during the quarter as well as the amount of the wages paid the veteran.

A training program must meet certain specific criteria in order to be approved. These include: (1) the training objective, the hours to be trained, and the content of the program; (2) assurance the wages are not less than those customarily paid for such a program; (3) the employer has planned for employment of the veteran following the end of the training period; (4) no currently employed worker will be displaced; (5) the training content of the program will qualify the veteran for a job in the field for which trained; (6) the field or job requires full-time training of not less than 6 months; (7) the length of the training program is not less than customarily required for the job; and (8) necessary records are kept by the employer.

Employers would be permitted to enter into agreements with educational institutions approved for GI Bill purposes to provide all or a portion of the training program. Certain types of

programs would be barred including (1) employment in seasonal, intermittent, or temporary jobs; (2) commission-type jobs; (3) political or religious activities; or (4) training outside the United States. Payments may be suspended where the Administrator finds the program fails to meet any of its requirements and, in such a case, the employer, school, and veteran must be notified. Where an overpayment to an employer on behalf of a veteran is the result of a willful or negligent false certification by an employer, or is the result of a similar false certification by the veteran, any overpayment shall be considered a liability of the employer or veteran to the United States and may be recovered in the same manner as any other debt.

No assistance would be payable under the new program where the veteran is pursuing an on-job or apprentice training program under the current GI Bill program or where the employer is receiving any other form of assistance from the Federal Government on account of the training or employment of the veteran. Where a veteran is pursuing a program of vocational rehabilitation under chapter 31 of title 38, United States Code, and is also pursuing a program under the new proposal, the provisions of section 1508(c)(1) of chapter 31 would be for application. Under that section, the wages paid to the veteran by the employer together with the subsistence allowance payable under that chapter may not exceed the journeyman's wage rate, and, if it does, adjustments will be made in the subsistence allowance paid the veteran under chapter 31. No assistance may be paid under the new program concurrently with benefits being paid the veteran under the GI Bill program where the training and the educational pursuits are related.

The responsibilities of the Secretary of Labor shall, for the most part, be carried out through the Assistant Secretary for Veterans' Employment. The Administrator, in consultation and coordination with the Secretary of Labor, shall conduct an outreach and public information program to inform eligible veterans and potential employers of the opportunities under the new program. The Secretary of Labor, in consultation with the Administrator, shall assist veterans and employers in making applications and completing necessary certifications. Services of State and Assistant State Directors for Veterans' Employment, the Disabled Veterans' Outreach Program (DVOP), and resources under the Job Training Partnership Act would also be utilized. The Administrator would, in addition, be called upon to coordinate with the Small Business Administration to obtain listings of small business concerns and with the Department of Education to assure that schools are notified of the new program.

As was previously stated, the Administration opposes the enactment of this jobs bill. Although Public Law 98-8 did not include a specific set-aside for veterans, we are confident, since veterans comprise a large segment of our population, that they will be aided by the new program.

Under the provisions of section 2012 of title 38, Federal contractors entering into contracts for $10,000 or more with any Federal department or agency are required to take affirmative action to employ disabled and Vietnam era veterans. We contemplate taking a sample to determine the number of veterans who have been employed by Federal contractors to provide maintenance and repair work in our hospitals in conjunction with the VA portion of the new, comprehensive jobs program recently enacted in Public Law 98-8.

We also believe that many of the disabled veterans who would be included in S. 992 could be assisted through our vocational rehabilitation program. We now have authority to directly place in jobs those veterans who have trained not only under our rehabilitation program, but those veterans who have been assisted under the Rehabilitation Act and who are determined to be employable.

Under the authority given us in chapter 31, a major responsibility of the VA under our vocational rehabilitation program is the development of a comprehensive plan known as an Individualized Employment Assistance Plan (IEAP) which identifies specific services and benefits which the veteran may receive during an employment assistance period of up to 18 months. Approximately 4,000 such IEAPs were prepared during Fiscal Year 1982, and 89 percent of those individuals for which a plan was prepared were confirmed in suitable employment.

We would add that veterans who train under our vocational rehabilitation program also have available to them a variety of services in addition to the job placement aid. These include needed medical services, supplies needed by veterans in obtaining needed licensures, and on-job training during which time veterans receive a subsistence allowance from the VA.

Another point which should be emphasized is that last summer the VA and Department of Labor entered into a comprehensive agreement covering coordination between the two agencies in providing employment assistance not only for our vocational rehabilitation trainees, but for other veterans as well. Under this new comprehensive agreement we work with the State Employment Service Agency, including close coordination with the Disabled Veterans Outreach Program (DVOP).

Current law provides several employment advantages for veterans. For example, chapters 41 and 42 of title 38, United States Code, give veterans priority referral to jobs listed with employment services and require all Government contractors to take affirmative action to employ disabled veterans.

In addition, the Administration already supports several initiatives that will serve veterans in need of retraining and jobs. The Job Training Partnership Act (JTPA) passed last year will provide training and retraining of those experiencing difficulty in the labor market. The JTPA starts a new program of assistance to experienced workers who lose their jobs due to plant closings or technological change; affected veterans will be eligible for retraining and relocation assistance under this program. JTPA also establishes a set-aside for a Veterans' Employment Program whereby programs will be conducted to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans who are recently separated from military service. Implementation of this program, which becomes effective October 1, 1983, is on schedule.

Other job-finding assistance is available through the provisions of the Targeted Jobs Tax Credit. Employers who hire economically disadvantaged and disabled Vietnam era veterans are eligible for a tax credit of 50 percent of the first $6,000 in wages paid for the first year on the job, and 25 percent of the first $6,000 paid for the second.

These are just some of the examples of the range of services already available to help veterans improve their labor market situation.

You asked that we provide you with our analysis of some of the problems which we foresee should S. 992 be enacted.

First, the bill provides for participation in the program for a period up to 12 months with discretion given the Administrator to extend this an additional 6 months for those veterans who have service-connected disability ratings of 30 percent or more. We would suggest that in certain cases some nondisabled veterans, pursuing specific types of training, could require a longer period of time. This has been our experience in administering the on-job and apprenticeship training programs under our GI Bill programs. The Committee may wish to consider allowing up to a maximum of 18 months in exceptional cases where it is determined that this amount of training is required to place the veteran into an employment status where he or she can be assured of permanent, long-term employment.

Second, we question whether it is advisable to provide as long a period of time for the program as is set forth in S. 992, which would take us into Fiscal Year 1987. We would suggest that consideration be given to setting a shorter time span on the program.

Third, we are of the view that the certification and determination requirements set forth in proposed section 1932 are too cumbersome. We believe that a great deal of the data which would be required to be furnished the Secretary of Labor is already available and that the detailed requirements provided in that section should be reviewed and modified where deemed appropriate.

Fourth, we believe that further consideration needs to be given to the language presently contained in proposed section 1941(a)(1). That language states that the quarterly payments made under the program "shall be deemed to be in compensation for the extraordinary costs associated with training such veterans . . . ." It is not clear as to what these extraordinary costs encompass. We note that the measure does not include any provision for assisting in defraying the cost of removing certain architectural barriers encountered in a work site by some disabled individuals. Possibly this could be included in the language cited above. In any event, if this is what is intended, we believe the language should be clarified and some limitation or ceiling be included with regard to assisting employers in this area.

Finally, provision should be included in section 1953(b) to bar concurrent payment of benefits under the new program and under our vocational rehabilitation program. We realize, of course, that provision has been made for requiring the wages and benefits paid under the proposed program be taken into consideration with the subsistence allowance paid veterans under the vocational rehabilitation program with reductions to occur in this latter allowance. Nevertheless, we believe it would be more appropriate to bar the concurrent payment of these benefits. We would also point out that we believe that many of the disabled veterans included in the S. 992 program could be better assisted under our present program rather than have them in the new program.

It is estimated that enactment of S. 992 would result in additional direct benefits cost of $45 million in Fiscal Year 1984 and in additional direct benefits cost over the first 5 fiscal years of $630 million. It is also estimated that enactment of

the bill would result in additional administrative costs in Fiscal Year 1984 of $3,851,000 and in additional administrative costs over the first 5 fiscal years of $20,133,000.

For the reasons set forth above, the Administration opposes the enactment of S. 992.

This report has described some of the programs and initiatives the Administration is actively supporting in its efforts to aid the veteran population. In addition, the Administration continues to be committed to enforcing veterans' preference where applicable and other regulations promoting veterans' employment opportunities. For example, the Administration is working with State employment services and the Disabled American Veterans to promote hiring of 30 percent or more disabled veterans. Also, the Office of Personnel Management is launching a new training course for Agency, EEO, and staff officials to promote hiring of veterans--merit staffing and employee relations as they relate to veterans' preference, veterans' readjustment appointments, affirmative action for disabled veterans, and the Veterans' Training Program.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this report to the Congress, and enactment of S. 992 would not be in accord with the program of the President.

Sincerely,

Everett Hoag

HARRY N. WALTERS
Administrator

Deputy Administrator For

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAY 5 1983

Honorable Alan K. Simpson
Chairman
Committee on Veterans' Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This is in reply to your request of April 12, 1983, for the views of this Office on S. 992, the "Veterans Emergency Retraining Act of 1983".

In its report to your Committee on S. 992, the Veterans Administration (VA) indicated that the Administration opposes the enactment of S. 992. The VA report noted that Public Law 98-8, the comprehensive jobs bill, was recently enacted into law providing a substantial sum from the Federal budget for providing jobs for our general population; that measure should be given a chance to work before any further jobs bills are favorably considered.

In addition, as the VA report mentioned, the Administration already supports various activities serving veterans in need of retraining and jobs; e.g., the VA vocational rehabilitation program, the Job Training Partnership Act, and the Targeted Jobs Tax Credit. Moreover, the Administration remains committed to enforcing veterans' preference where applicable and other regulations promoting veterans' employment opportunities.

The Office of Management and Budget concurs in the views expressed by VA in its report and, accordingly, opposes enactment of S. 992. Enactment of this bill would not be in accord with the program of the President.

Sincerely,

James M. Frey

James M. Frey
Assistant Director for
Legislative Reference

ADDITIONAL VIEWS OF SENATOR ALAN CRANSTON

I am delighted that the Committee has unanimously approved and voted favorably to report the substitute Committee amendment to S. 1033, the proposed "Veterans' Emergency Job Training Act". This legislation is, in almost every respect, an excellent measure and well-deserving of the Senate's support. It would provide a carefully-designed framework for responding to the very serious, extensive unemployment problems of our Nation's wartime veterans.

The Committee, both majority and minority leaders, worked closely together in blending the provisions of the two measures that were pending before it: S. 992, the proposed "Veterans' Emergency Retraining Act of 1983", which I introduced on April 6, and S. 1033 as it was introduced by the Chairman of the Committee on April 12. The end result is an example of bipartisanship and serves as a demonstration of this Committee's continuing deep concern for and commitment to our Nation's veterans.

The development of this measure is a direct result of actions taken at the Committee's meeting on March 1 to consider recommendations to the Senate Budget Committee on the fiscal year 1984 budget. At that time, the Committee unanimously approved my motion to add $150 million to our recommendations for fiscal year 1984 in order to permit us the latitude to consider either a GI Bill rate increase, as proposed in S. 9, which I introduced on January 26, or a veterans' employment and retraining initiative, such as that which I had under development at that time and subsequently introduced as S. 992, or a combination of those two items. The Senate Budget Committee approved our Committee's recommendation in this area and, consistent with my motion, included in its recommended First Concurrent Resolution on the Budget for Fiscal Year 1984 sufficient budget authority and outlays for veteran's entitlement programs for fiscal years 1984, 1985, and 1986 sufficient to accommodate such legislation.

Jobs Legislation

When I introduced S. 992 and at the Committee's hearing on jobs legislation on April 20, I set forth three basic elements which I believed were vital for inclusion in any program the Committee developed and which I urged that the Committee use as the basis for its consideration of legislation in this area.

First, the program needed to be competitive with other job training and retraining programs conducted by the Federal Government—particularly those conducted under the Job Training Partnership Act. I believe that S. 1033 as reported meets that test.

Second, the program had to avoid costly and time-consuming administrative requirements and rigidities so as not to discourage potential employers from participating in it and to keep red tape,

delays, and paperwork to a minimum. Again, the Committee bill does this.

Indeed, I am delighted that the basic provisions of my measure, S. 992, regarding the level and duration of assistance payments, administrative flexibility for employers and the administering agencies, and joint administration by the VA and the Labor Department—provisions designed to fulfill both the first and second objectives outlined above—were approved by the Committee. Likewise, I am pleased that provisions derived from my measure to provide a special incentive for employers to hire and train seriously disabled, service-connected veterans—by increasing the maximum amount of assistance that may be paid and by permitting an extension of the training period—and to establish a simplified approval process based on employer certifications, rather than investigations, have been incorporated into the Committee bill.

Entitlement vs. *Authorization:* Unfortunately, the Committee bill falls considerably short of meeting the third objective outlined: That is, that the program needed to be established as a temporary, limited entitlement not requiring an appropriation before it could begin rather than as an authorization of appropriations. At the very least, I believe that, given the concerns of some regarding an "uncontrollable" entitlement, the measure should have been cast as a "capped" entitlement not requiring an appropriation before it could begin.

I continue to feel strongly that reliance on an authorization of appropriations runs a substantial risk of the program never being funded, or of being funded at a level substantially less than the level approved by the Committee. At best, the authorization approach will serve to delay substantially—and perhaps for a protracted period—the implementation of the program authorized by the Committee bill.

As an example of the reasons for my concern, I note that, in 1981, the Congress enacted and the President approved Public Law 97-72. Contained in that measure was the *authority* for money to be appropriated to establish a small business loan program within the VA for disabled and Vietnam-era veterans. When the President signed that bill, he noted he had reservations about that portion of the measure and would "weigh carefully any efforts to fund" that program. That program has *never* been funded. It lies there on the books, useless and inoperative.

By reporting the Committee bill as an authorization of appropriations, we are inviting a repetition of this unfortunate experience. At our Committee's April 20 hearing, the Administration made it clear that it strongly opposes the enactment of this legislation. Dorothy Starbuck, the Chief Benefits Director of the VA, very wisely advised the Committee of the pitfalls of proceeding by way of an authorization in light of Administration opposition to enactment of legislation in this area.

To me, this is an ominous sign of things to come.

By the time that this measure is considered and passed by the Senate, differences with the House are resolved and the final version is enacted, the fiscal year 1984 appropriations process will be far along. At that point, in the face of the President's opposition, it may be extremely difficult to enact the appropriation necessary to

get the program started in a timely way or to get the program started *at all.*

That is why I proposed at our markup an amendment to adopt the entitlement approach. Unfortunately, that amendment failed on a 6–6 vote. I believe, as apparently do the other five members of the Committee who supported my amendment, that the Committee did not have to take risks of nullification and delay that accompany the authorization of appropriations approach. There is ample latitude in the budget resolution to have permitted this Committee to make this initiative an entitlement self-starting upon enactment. The Senate Budget Committee, in the fiscal year 1984 budget resolution reported by that Committee on April 24, has approved additional funding of $150 million in fiscal year 1984, and more than double that amount in fiscal years 1985 and 1986 for a "readjustment benefit initiative"—implying that if and when this funding is allocated to our Committee after the resolution is adopted by both Houses, the funding will be available for an entitlement program.

My entitlement amendment was preliminarily estimated by the Congressional Budget Office to cost a total of $380 million over three fiscal years: $125 million in fiscal year 1984, $200 million in fiscal year 1985, and $55 million in fiscal year 1986. These amounts would be well within the budget marks that have been approved for each year by the Senate Budget Committee.

Taking the entitlement approach I proposed would have ensured that the program was funded adequately and funded in a timely fashion. It would not have resulted in an open-ended entitlement. It would have represented an extension of entitlements already given to wartime veterans under prior GI Bills. The entitlement would, by virtue of the limited period in which the veteran may apply to participate and to initiate training, have expired by the end of fiscal year 1986. But, it would not risk—as we now do under the Committee bill—depriving any eligible veteran of the opportunity to participate in the program, particularly service-connected disabled and Vietnam-era veterans who suffer from the highest unemployment rates.

The position of the veterans' organizations was clear on this issue. Both the Disabled American Veterans and The American Legion communicated to the Committee their unqualified support for a limited, short-term entitlement approach. The Veterans of Foreign Wars, although supporting the Committee version of S. 1033 as it was presented to the Committee at the May 11 markup, indicated that it shared reservations that an authorization of appropriations would not be funded.

I remain deeply concerned that pursuing this legislation through to enactment only to have it sit on the books without the necessary funds would be a broken promise. We would be holding out an empty offer of help and assistance to veterans who are out of work and lack the skills necessary to compete in today's changing labor market. If we make that offer, we must do everything possible to ensure it is backed up in reality. Regrettably, the Committee bill falls short of doing that.

Capped Entitlement: In light of the concerns expressed by the Chairman of the Committee about the costs associated with an en-

titlement—even an entitlement as temporary and limited as the Committee bill would have been—I offered a second amendment embodying a compromise position at the May 11 markup. That compromise would still have established the program as a temporary, limited entitlement not subject to appropriations but would have capped the total expenditures for the program at the same level of expenditures authorized in the Committee bill—$150 million.

While I was not entirely comfortable proceeding with a capped entitlement approach, I believe that the $150 million cap would have been an acceptable one—particularly given the disparity between VA and CBO cost estimates relating to this jobs legislation. I believed that the $150-million capped-entitlement approach would have gone a long way towards meeting the needs of veterans who would be eligible and apply for participation in the program. Again, I made this proposal because I believed it was vital to proceed in this fashion so as to ensure the timely initiation and funding of the opportunities the Committee is trying to make available to meet a very pressing need.

At the markup, a letter from the leadership of the Senate Appropriations Committee was delivered stating that such a capped-entitlement approach would "set a very questionable precedent" and implying that it was not legislation "in the traditional manner". Again, unfortunately, the Committee was evenly divided and the amendment failed.

I deeply regret that result. I continue to believe that the capped-entitlement approach was and remains fully consistent with the established practices of this Committee.

When we reported legislation to provide for new tutorial assistance and work-study benefits under the GI Bill and they were enacted, they were not proposed and not enacted as subject to an authorization of appropriations. They were funded out of the readjustment benefits account just as would have been the extension of wartime GI Bill eligibilities as I proposed it for this job training initiative. The same was true with respect to the two-year targeted delimiting date extension enacted 2 years ago, which is providing tens of thousands of veterans whose GI Bill eligibility has expired with a further opportunity to receive vocational and on-job training assistance; and with respect to the new four-year independent living program this Committee approved in 1980 as part of the chapter 31 vocational rehabilitation program. This Committee did *not* make those benefits contingent upon appropriations actions.

In fact, this Committee has *never* to my knowledge reported legislation to establish or expand a veteran's benefit, whether time-limited or not, and made its becoming available contingent upon the enactment of appropriations. We've always made them adjuncts to ongoing programs with initial funding ensured accordingly.

Thus, the proposal I made was not just in keeping with the rules. It was consistent with the entire history and practice of this Committee, the Senate, and, except for the ill-fated small business loan program, the Congress. It was and continues to be on very solid ground and in no way represents an invasion of the jurisdiction of the Appropriations Committee.

The Appropriations Committee requested that our Committee take the authorization of appropriations approach so that "the Congress can weigh the relative priority of this program through the regular appropriations process." The Chairman of our Committee opposed my amendment for a capped entitlement on the grounds that we would be usurping the jurisdiction of the Appropriations Committee and attempting to by-pass that Committee.

Despite the fact that my amendment failed to be adopted on a tie vote, I continue to see no reason to take an approach inconsistent with this Committee's and the Congress' historical practice. I am far, far more concerned that the appropriations process will pass the Nation's unemployed war veterans by than the possibility that the Appropriations Committee might believe that this Committee has by-passed it. Indeed, I would note that both members of this Committee who also serve on the Appropriations Committee—the distinguished Senators from Arizona and Pennsylvania, Dennis DeConcini and Arlen Specter—supported the capped entitlement approach as well as the first amendment I offered.

Tolled Effective Date: It was these concerns that led me to offer a third amendment—which I was pleased that the Committee unanimously approved—to address at least to some extent the effect of the extensive delay that I believe might well occur in making the new program operational.

Under the Committee bill, as it was presented to the Committee for approval on May 11, veterans would have had a one-year period—during fiscal year 1984—in which to make application for a program of job training and employers would not have been paid for training programs that began later than fifteen months after September 30, 1984.

If appropriations for the new program are quickly enacted and the funds apportioned to the VA prior to October 1, 1983, there would be no problem with these deadlines. However, if appropriations are *not* made available quickly by the Congress and apportioned expeditiously by the Office of Management and Budget or if a deferral or rescission of the funds is sought, each day's delay beyond October 1, 1983, would have cut into opportunities that should be available under the new program.

My amendment addressed this situation by providing that in the event that appropriations are not enacted and apportioned by October 1, 1983, then both the one-year and fifteen-month periods would, in effect be "tolled" for the period of time during which the availability of funds for the new program is delayed. Thus, under the Committee bill as amended by my amendment, if funds for the new program were not made available to the VA until, for example, January 1, the one-year application period would be extended until December 31, 1984, and the fifteen-month program-commencement period would be extended until March 31, 1985. As a result of this amendment, the opportunities available to veterans under the new program if it is initiated would not be able to be diminished by the failure of the Congress or OMB to act in a timely fashion to fund the program.

GI Bill Rate Increase

As I noted previously, when I first proposed in March that the Committee add $150 million to its recommendations to the Budget Committee, I did so in order that we would have the latitude to consider a GI Bill rate increase (such as I had proposed in S. 9, introduced on January 26), jobs legislation, or a combination of both.

Since the Committee limited spending under the new job retraining legislation, it would have been possible to ensure room for a 15-percent GI Bill rate increase, effective September 15, 1984, in the anticipated cross-walk allocation to our Committee, and I proposed an amendment to provide such an increase effective on September 15, 1984.

Unfortunately, the Committee—on a 5-to-7 vote—defeated this amendment. Despite the fact that there has not been a GI Bill rate increase enacted since 1980 and the fact that there does not seem to be any disagreement within the Committee that one is needed—since by September 1984 the Consumer Price Index will have increased by well over 25 percent and education costs by over 40 percent in the intervening four years—the Committee declined to propose this increase at this time.

I continue to believe the Committee and the Congress need to act now so as to permit those veterans who have remaining entitlement to GI Bill benefits to make plans to utilize those benefits, having in mind at what rate they will be receiving benefits. I continue to see no good reason to wait until next year to consider a rate increase—particularly when the Committee has the opportunity to approve one now consistent with the levels in the fiscal year 1984 budget resolution recommended by the Budget Committee.

Despite the Chairman's assurances that he is prepared to support an increase next year, no one can offer the same assurances that the Administration will support this increase next year or that the Budget Committee will approve a level of funding to give us this opportunity again. The time to act is now to give Vietnam-era veterans assurance of the availability of increased support for their educational assistance needs.

Conclusion

Despite the reservations I have just discussed, I intend to support and work actively to seek enactment of S. 1033. However, I will continue to pursue the issues I have raised in these views.

ALAN CRANSTON.

CHANGES IN EXISTING LAW MADE BY S. 1033 AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

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PART III—READJUSTMENT AND RELATED BENEFITS

CHAPTER	Sec.
31. Training and Rehabilitation for Veterans with Service-Connected Disabilities	1500
32. Post-Vietnam Era Veterans' Educational Assistance	1601
34. Veterans' Educational Assistance	1651
35. Survivors and Dependents' Educational Assistance	1700
36. Administration of Educational Benefits	1770
37. Housing and Small Business Loans	1801
39. Automobiles and Adaptive Equipment for Certain Disabled Veterans and Members of the Armed Forces	1901
41. Job Counseling, Training, and Placement Service for Veterans	2000
42. Employment and Training of Disabled and Vietnam Era Veterans	2011
43. Veterans' Reemployment Rights	2021
44. Veterans' Emergency Job Training Program	*2101*

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CHAPTER 43—VETERANS' REEMPLOYMENT RIGHTS

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CHAPTER 44—VETERANS' EMERGENCY JOB TRAINING PROGRAM

Sec.
2101. Purpose.
2102. Establishment of program; administration.
2103. Eligibility; application; certification.
2104. Employer job training programs.
2105. Approval of programs.
2106. Training establishments.
2107. Nonqualifying programs of training.
2108. Payments to employers.
2109. Discontinuance of approval of employer programs; overpayments; penalties.
2110. Coordination; information and outreach.
2111. Inspection of records; investigations.
2112. Termination of program.
2113. Authorization of appropriations.

§ 2101. Purpose

The purpose of this chapter is to address the problem of severe and continuing unemployment among veterans by providing incentives to employers, in the form of payments to defray the costs of

training or retraining, to hire wartime veterans who have been unemployed for long periods of time or have job skills that have been rendered obsolete by advances in technology or other industrial changes, for employment in stable, permanent positions that involve significant training or retraining.

§ 2102. Establishment of program; administration

(a) The Administrator and the Secretary of Labor (hereinafter in this chapter referred to as "the Secretary") shall jointly carry out a program in accordance with the provisions of this chapter to assist eligible veterans in obtaining employment in stable, permanent positions that involve significant training or retraining. Assistance under the program shall be in the form of payments made to employers to assist them in defraying the costs of training or retraining eligible veterans employed in such positions.

(b) Not later than sixty days after the date of the enactment of this chapter but in no event later than October 1, 1983, the Administrator and the Secretary shall enter into an agreement specifying their respective responsibilities for the administration of the provisions of this chapter. The agreement shall include specifications that the Administrator shall be responsible for the determination of whether a veteran meets the service requirements under section 2103 of this title and for payments to employers under section 2108 of this title, and that the Secretary shall be responsible for the determination of whether a veteran meets the unemployment requirements under section 2103 of this title and for job development activities under section 2110 of this title. The term "administering agency" as used hereinafter in this chapter refers to the Veterans' Administration or the Department of Labor or both as specified in such agreement.

(c) The Secretary shall carry out responsibilities under this chapter through the Assistant Secretary of Labor for Veterans' Employment established under section 2002A of this title.

§ 2103. Eligibility; application; certification

(a) For the purposes of this chapter, an eligible veteran is a veteran who—

(1) acquired entitlement to educational assistance benefits from the Veterans' Administration under a program enacted by the Servicemen's Readjustment Act of 1944, the Veterans' Readjustment Assistance Act of 1952, or the Veterans' Readjustment Benefits Act of 1966 and who served during a period of war; and

(2)(A) is unemployed and has been unemployed for at least fifteen of the twenty weeks immediately preceding the date of application for participation in a program under this chapter; or

(B)(i) is unemployed and has been terminated or laid off from employment and is eligible for or has exhausted entitlement to unemployment compensation, and (ii) has no realistic opportunity to return to employment in the same or a similar occupation in the geographical area where the veteran previously held employment.

For the purposes of clause (2) of this subsection, a veteran shall be considered unemployed when the veteran is without a job and wants and is available for work.

(b) A veteran who desires to undertake a program of job training under this chapter shall submit to the administering agency an application which shall specify the training objective to be pursued and shall be in such form and contain such information as the administering agency shall prescribe. The administering agency shall approve such application unless the administering agency finds that the veteran is (1) not eligible to participate in a program under this chapter, or (2) already qualified for the specified training objective.

(c) A veteran who has been determined to be eligible under this section shall be certified as such by the administering agency, and the administering agency shall furnish such veteran with a copy of a certification of eligibility for presentation to an employer offering a program of job training under this chapter.

§ 2104. Employer job training programs

(a)(1) Except as provided in paragraph (2) of this subsection, in order to qualify as a program of job training under this chapter, a program of job training of an employer must provide training approved under this chapter for a period of not less than six months in an occupation in a growth industry, an occupation requiring the use of new technological skills, or an occupation for which demand exceeds supply.

(2) A period of training of between three and six months may be approved where the administering agency determines, in accordance with standards which the administering agency shall prescribe, that the purpose of this chapter would be met.

(b) The maximum period of training for which assistance may be paid on behalf of an eligible veteran under this chapter is twelve months, except that such period may be extended by the administering agency for a period of up to six additional months in the case of a veteran with a service-connected disability rated at (1) 30 percent or more, or (2) 10 or 20 percent if such veteran has been determined under section 1506 of this title to have a serious employment handicap.

(c) Subject to the provisions of this chapter, an eligible veteran approved for participation in a program under this chapter may accept an approved program of job training offered to the veteran by an employer.

§ 2105. Approval of programs

(a) An employer may be paid assistance under section 2106 of this title on behalf of an eligible veteran employed by such employer and participating in a program of job training offered by such employer only if such program is approved in accordance with such procedures as the administering agency may by regulation prescribe and if the program meets the other requirements established under this chapter.

(b) An employer offering a program of job training that the employer desires to have approved for the purposes of this chapter shall submit a written application for such approval. Such application shall be in such form and contain such information as the administering agency shall prescribe and shall contain a certification by the employer—

(1) that the employer has planned for the employment of the eligible veteran in a position for which such veteran is to be trained and that the employer has no reason to expect that such position will not be available on a stable, permanent basis to such veteran at the end of the training period;

(2) that the wages and benefits to be paid to an eligible veteran participating in the employer's program of job training will be not less than the wages and benefits normally paid to other employees participating in a comparable program of job training;

(3) indicating the total number of hours of training to be offered for each eligible veteran, and describing the training content of the program and the objective of the training;

(4) that the employment of an eligible veteran under this chapter—

(A) will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits); and

(B) will not be in a job (i) while any other individual is on layoff from the same or any substantially equivalent job, or (ii) the opening for which was created as a result of the employer having terminated the employment of any regular employee or otherwise having reduced its work force with the intention of hiring a veteran in such job under this chapter;

(5) that the training content of the program is adequate, in light of the nature of the occupation for which training is to be provided and comparable training opportunities in such occupation, to accomplish the training objective certified under clause (3) of this subsection;

(6) that the occupation or job for which training is to be provided customarily requires training of not less than an average of thirty hours per week for a period of not less than six months or such other period as may be approved under section 2104(a)(2) of this title;

(7) that the length of the training period under the proposed program is not longer than the length of programs that employers in the community customarily require new employees to complete in order to become competent in the occupation or job for which training is to be provided;

(8) that there is in the training establishment or place of employment such space, equipment, instructional material, and instructor personnel as are needed to accomplish the training objective certified under clause (3) of this subsection;

(9) that the employer will keep records adequate to show the progress made by each veteran participating in the program, and otherwise to demonstrate compliance with the requirements of this chapter; and

(10) that the program meets such other criteria as may be established by the administering agency.

(c)(1) Except as provided in paragraph (2) of this subsection, the administering agency shall approve the proposed program of job training unless the administering agency finds that the application

does not contain a certification and other information meeting the requirements of subsection (b) of this section.

(2) The administering agency may withhold approval pending the outcome of an investigation of any matter under section 2111(c) of this title, and, based on such outcome, may disapprove such program, in accordance with regulations which the administering agency shall prescribe.

(d) For the purposes of this section, approval of a program of apprenticeship or other on-job training for the purposes of section 1787 of this title shall be considered to meet all requirements for approval of a program of job training under this chapter.

§ 2106. Training establishments

Any employer may enter into an arrangement or agreement with an educational institution that has been approved for the enrollment of veterans under chapter 34 of this title in order that such institution may provide a program of job training (or a portion thereof) under this chapter. When such an arrangement or agreement has been entered into, the application of the employer shall so state and set forth a description of the training to be so provided.

§ 2107. Nonqualifying programs of training

No assistance under this chapter may be paid on behalf of an eligible veteran participating in a program of job training—

(1) for employment in a seasonal, intermittent, or temporary job;

(2) for employment under which commissions are the primary source of income;

(3) for employment which involves political or religious activities;

(4) for employment with any department, agency, instrumentality or branch of the Federal Government (including the United States Postal Service and Postal Rate Commission); or

(5) if the training program will not be carried out in the United States.

§ 2108. Payments to employers

(a) Except as provided in subsections (b) and (c) of this section, the administering agency shall make quarterly payments to an employer of an eligible veteran participating in an approved program of job training under this chapter. The amount paid to an employer on behalf of an eligible veteran may not exceed the lesser of—

(1) 50 percent of the wages paid to the veteran by the employer during the period for which payments are made; or

(2) an amount for such period calculated on the basis of an annual rate of (A) $9,000 in the case of an eligible veteran with a service-connected disability rated at (i) 30 percent or more, or (ii) 10 or 20 percent if such veteran has been determined to have a serious employment handicap under section 1506 of this title, or (B) $6,000 in the case of any other eligible veteran.

(b) If an employer to whom payments are made under this chapter is a private, for-profit enterprise employing five hundred or fewer employees, the administering agency may make such payments on a monthly basis.

(c) Payment may not be made to an employer for a period of training under this chapter on behalf of a veteran until the administering agency has received—

(1) from the veteran, a certification as to the veteran's actual employment and training with the employer during such period; and

(2) from the employer, a certification—

(A) that the veteran was employed, and that the veteran's performance and progress were satisfactory during such period; and

(B) with respect to the first such certification, indicating the date on which the employment of such veteran began.

(d) No assistance may be paid on behalf of an eligible veteran under this chapter—

(1) and to such veteran under chapter 31, 34, or 36 of this title for the same period;

(2) if the employer is receiving any other form of assistance on account of the training or employment of such veteran, including assistance under the Job Training Partnership Act (96 Stat. 1322; 29 U.S.C. 1501 et seq.); or

(3) if such veteran has completed a program of job training under this chapter.

§ 2109. Discontinuance of approval of employer programs; overpayments; penalties

(a) If the administering agency finds at any time that a program of job training previously approved by the administering agency for the purposes of this chapter thereafter fails to meet any of the requirements established under this chapter, the administering agency may immediately disapprove further participation by eligible veterans under that program. The administering agency shall provide to an employer whose program is disapproved under this section, and to each eligible veteran participating in such program, a statement of the reasons for, and an opportunity for a hearing with respect to, such disapproval. Such employer and such veteran shall be notified of such disapproval, such reasons, and such opportunity by a certified or registered letter, and a return receipt shall be secured.

(b)(1) Whenever the administering agency finds that an overpayment of assistance under this chapter has been made to an employer on behalf of an eligible veteran as a result of a certification or information contained in an application submitted by an employer which was false or clearly unsupportable in any material respect, the amount of such overpayment shall constitute a liability of the employer to the United States.

(2) Whenever the administering agency finds that an overpayment of assistance under this chapter has been made to an employer on behalf of an eligible veteran as a result of a certification or information contained in an application submitted by a veteran which was false or clearly unsupportable in any material respect, the amount of such overpayment shall constitute a liability of the veteran to the United States.

(3) Any overpayment referred to in paragraph (1) or (2) of this subsection may be recovered in the same manner as any other debt due the United States.

(c) Whenever the administering agency finds that an employer, willfully or with reckless disregard of the facts, has made a false certification under section 2105 or 2108(c)(2) of this title, or any regulation issued thereunder, or has caused the administering agency to make a certification or give approval contrary to such sections, or such regulation, such employer shall be subject to a civil penalty, imposed by the administering agency after an adjudication determined on the record after opportunity for a hearing before such agency, of not to exceed $1,000 for each such violation. Such violation shall constitute a separate violation with respect to each individual employed by reason of such wrongful certification or approval. Actions by the administering agency to impose a civil penalty under this subsection shall be reviewable in the district courts of the United States.

§ 2110. Coordination; information and outreach

(a) The administering agencies shall provide for an outreach and public information program to inform private industry and business concerns (including small business concerns), educational institutions, trade associations, and labor unions of opportunities under this chapter, and to promote job development by encouraging employers and unions to make training programs available for eligible veterans. The administering agencies shall coordinate such program with those job counseling, placement, job development, and other services provided for under chapters 41 and 42 of this title and with other similar services offered by other public agencies and organizations.

(b) The administering agencies shall request and obtain from the Administrator of the Small Business Administration a listing of small business concerns, and, on a regular basis, update such listings. Such listings shall be used to identify and promote possible training and employment opportunities for eligible veterans.

(c) The administering agencies, in consultation and cooperation with the Secretary of Education, shall take appropriate actions to advise educational institutions of the opportunities made available to veterans under this chapter and the opportunity for such institutions to enter into arrangements or agreements with employers pursuant to section 2106 of this table.

(d) The administering agencies shall assist veterans and employers desiring to participate under this chapter in making application and completing necessary certifications.

(e) In carrying out responsibilities under this chapter, the Secretary shall make maximum use of the services of State and Assistant State Directors for Veterans' Employment, disabled veterans' outreach program specialists, and employees of local offices appointed pursuant to sections 2003, 2003A, and 2004 of this title. The Secretary shall also use such resources as are available under title IV–C of the Job Training Partnership Act (96 Stat. 1322; 29 U.S.C. 1501 et seq.).

(f) In carrying out the provisions of this section, the administering agencies shall endeavor to achieve an equitable regional distribution of training opportunities, based on a comparison of regional data concerning the rate of unemployment among veterans of a

period of war, and taking into consideration the regional distribution of eligible veterans and approved programs of job training.

§ 2111. Inspection of records; investigations

(a) The records and accounts of employers pertaining to veterans on behalf of whom assistance has been paid under this chapter, as well as other records which the administering agencies determine are necessary to ascertain compliance with the requirements established under this chapter, shall be available at reasonable times for examination by authorized representatives of the Federal Government.

(b) The administering agencies may monitor all participants under this chapter to determine whether they are complying with the requirements established under this chapter.

(c) The administering agencies may investigate any matter they deem necessary to determine compliance with the requirements established under this chapter. The investigations authorized by this subsection may include examining records (including making certified copies thereof), questioning employees, and entering into any premises or onto any site where any part of a program of job training is conducted under this chapter, or where any of the records of the employer offering or providing such program are kept.

§ 2112. Termination of program

Assistance may not be paid to an employer under this chapter—

(1) on behalf of a veteran who applies for a program of job training under this chapter after September 30, 1984; or

(2) for any such program which commences after December 31, 1984.

§ 2113. Authorization of appropriations

There is authorized to be appropriated to the Administrator $150,000,000 for the purpose of making payments to employers under this chapter.

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